

CONCORD'S PROPOSAL FOR AMENDMENTS TO NDICI REGULATION

Recitals

Articles	Draft regulation NDICI	Proposed amendments
	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles, 209, 212 and 322(1) thereof, (...)	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 208 , 209, 212 and 322(1) thereof,
	(1) The general objective of the Programme "Neighbourhood, Development and International Cooperation Instrument" (the 'Instrument') should be to uphold and promote the Union's values and interests worldwide in order to pursue the objectives and principles of the Union's external action, as laid down in Article 3(5), Articles 8 and 21 of the Treaty on European Union.	(1) The general objective of the Programme "Neighbourhood, Development and International Cooperation Instrument" (the 'Instrument') should be to uphold and to promote sustainable development, contribute to the eradication of poverty, fight inequality in all its forms, and to uphold the Union's values and interests worldwide in order to pursue the objectives and principles of the Union's external action, as laid down in Article 3(5), Articles 8 and 21 of the Treaty on European Union.

	<p>(7) The global context for action is the pursuit of a rules-based global order, with multilateralism as its key principle and the United Nations at its core. The 2030 Agenda, together with the Paris Agreement on Climate Change and the Addis Ababa Action Agenda is the international community’s response to global challenges and trends in relation to sustainable development. With the Sustainable Development Goals at its core, the 2030 Agenda is a transformative framework to eradicate poverty and achieve sustainable development globally. It is universal in scope, providing a comprehensive shared framework for action that applies to the Union, to its Member States and to its partners. It balances the economic, social and environmental dimensions of sustainable development, recognising the essential interlinkages between its goals and targets. The 2030 Agenda aims to leave no one behind. The implementation of the 2030 Agenda will be closely coordinated with the Union's other relevant international commitments. Actions undertaken by this Regulation should pay particular attention to interlinkages between Sustainable Development Goals and to integrated actions that can create co-benefits and meet multiple objectives in a coherent way.</p>	<p>(7) The global context for action is the pursuit of a rules-based global order, with multilateralism as its key principle and the United Nations at its core. The 2030 Agenda, together with the Paris Agreement on Climate Change and the Addis Ababa Action Agenda is the international community’s response to global challenges and trends in relation to sustainable development. The EU supported the adoption of these international commitments and this Regulation should, above all, seek to contribute to achieving them. With the Sustainable Development Goals at its core, the 2030 Agenda is a transformative framework to eradicate poverty and achieve sustainable development globally. It is universal in scope, providing a comprehensive shared framework for action that applies to the Union, to its Member States and to its partners. It balances the economic, social and environmental dimensions of sustainable development, recognising the essential interlinkages between its goals and targets. The 2030 Agenda aims to leave no one behind and seeks to reach the furthest behind first. The implementation of the 2030 Agenda will be closely coordinated with the Union's other relevant international commitments. Actions undertaken by this Regulation should pay particular attention to interlinkages between Sustainable Development Goals and to integrated actions that can create co-benefits and meet multiple objectives in a coherent way, without undermining others.</p>
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	<p>(8) The implementation of this Regulation should be guided by the five priorities established in the Global Strategy for the European Union's Foreign and Security Policy (the 'Global Strategy')⁵⁹, presented on 19 June 2016, which represents the Union's vision and the framework for united and responsible external engagement in partnership with others, to advance its values and interests. The Union should enhance partnerships, promote policy dialogue and collective responses to challenges of global concern. Its action should support the Union's interests and values in all its aspects, including preserving peace, preventing conflicts, strengthening international security, fighting root causes of irregular migration and assisting populations, countries and regions confronting natural or man-made disasters, supporting trade policy, economic diplomacy and economic cooperation, promoting digital solutions and technologies, and fostering the international dimension of Union's policies. In promoting its interests, the Union should comply with, and promote, the principles of respect for high social and environmental standards, for the rule of law, for international law and for human rights.</p>	<p>(8) The implementation of this Regulation should be guided by the policy framework for EU development cooperation as laid down in the Lisbon Treaty, the 2030 Agenda on Sustainable Development, and the Paris Climate Agreement. It should also be guided by the five priorities established in the Global Strategy for the European Union's Foreign and Security Policy (the 'Global Strategy')⁵⁹, presented on 19 June 2016, which represents the Union's vision and the framework for united and responsible external engagement in partnership with others, to advance its values and interests. The Union should enhance partnerships, promote policy dialogue and collective responses to challenges of global concern. Its action should support the Union's interests and values in all its aspects, including contributing to the eradication of poverty, fighting inequality in all its forms, in particular gender inequalities, preserving peace, preventing conflicts, strengthening international security, fighting root causes of irregular migration forced displacement and assisting populations, countries and regions confronted with enhanced migratory pressure and confronting natural or man-made disasters, supporting trade policy supporting a fair, human rights compliant and gender-just trade policy, economic diplomacy and economic cooperation, promoting digital solutions and technologies, and fostering the international dimension of Union's policies. In promoting its interests, the Union should comply with, and promote, the principles of respect for high social and environmental standards, for the rule of law, for international law and for human rights.</p>
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	<p>(9) The new European Consensus on Development ('the Consensus'), signed on 7 June 2017, provides the framework for a common approach to development cooperation by the Union and its Member States to implement the 2030 Agenda and the Addis Ababa Action Agenda. Eradicating poverty, tackling discrimination and inequalities, leaving no one behind and strengthening resilience are at the heart of development cooperation policy.</p>	<p>(9) The new European Consensus on Development ('the Consensus'), signed on 7 June 2017, provides the framework for a common approach to development cooperation by the Union and its Member States to implement the 2030 Agenda and the Addis Ababa Action Agenda. Eradicating poverty, tackling discrimination and inequalities, leaving no one behind, protecting the environment, fighting climate change and strengthening resilience are at the heart of development cooperation policy.</p>
	<p>(11) In accordance with the Global Strategy and the Sendai Framework for Disaster Risk Reduction (2015-2030) as adopted on 18 March 2015⁶¹, recognition should be given to the need to move away from crisis response and containment to a more structural, long-term approach that more effectively addresses situations of fragility, natural and man-made disasters, and protracted crises. Greater emphasis and collective approaches are required on risk reduction, prevention, mitigation and preparedness; and further efforts are required to enhance swift response and a durable recovery. This Regulation should therefore contribute to strengthening resilience and linking humanitarian aid and development action through rapid response actions.</p>	<p>(11) In accordance with the Global Strategy and the Sendai Framework for Disaster Risk Reduction (2015-2030) as adopted on 18 March 2015⁶¹, recognition should be given to the need to move away from crisis response and containment to a more structural, long-term approach that more effectively addresses situations of fragility, natural and man-made disasters, and protracted crises. Greater emphasis and collective approaches are required on risk reduction, prevention, mitigation and preparedness; and further efforts are required to enhance swift response and a human rights based durable recovery. This Regulation should therefore contribute to strengthening resilience and linking humanitarian aid and development action through geographic programmes and rapid response actions.</p>
	<p>(12) In line with the international commitments of the Union on development effectiveness as adopted in Busan in 2011 and renewed at the Nairobi High Level Forum in 2016 and recalled in the Consensus, the Union's development cooperation should apply the development effectiveness principles, namely ownership of development priorities by developing countries, a focus on results, inclusive development partnerships as well as transparency and accountability.</p>	<p>(12) In line with the international commitments of the Union on development and aid effectiveness principles as adopted in Busan in 2011 and renewed at the Nairobi High Level Forum in 2016 and recalled in the Consensus, the Union's development cooperation should apply the development and aid effectiveness principles, namely ownership of development priorities by developing countries, alignment, harmonisation, a focus on results, inclusive development partnerships as well as transparency and mutual accountability.</p>

	<p>(13) Pursuant to the Sustainable Development Goals, this Regulation should contribute to reinforced monitoring and reporting with a focus on results, covering outputs, outcomes and impacts in partner countries benefiting from the Union's external financial assistance. In particular, as agreed in the Consensus, actions under this Regulation are expected to contribute 20% of the Official Development Assistance funded under this Regulation to social inclusion and human development, including gender equality and women's empowerment.</p>	<p>(13) Pursuant to the Sustainable Development Goals, this Regulation should contribute to reinforced monitoring and reporting with a focus on results, covering outputs, outcomes and impacts in partner countries benefiting from the Union's external financial assistance. In particular, as agreed in the Consensus, actions under this Regulation are expected to contribute 20% of the Official Development Assistance funded under this Regulation to social inclusion and human development, including gender equality and women's empowerment.</p> <p>New recitals: In line with existing commitments in EU Gender Action Plan II, at least 85% of Official Development Assistance (ODA) funded programmes should have gender equality as a principal or significant objective, and 20% should have gender equality as a principal objective. These commitments will be reflected through specific objectives under all pillars of the instrument.</p> <p>Children and youth, in particular girls and young women, are essential agents of change and contributors to the realisation of Agenda 2030, as recognised in the European Consensus on Development and Art. 3 of the Treaty on European Union. The Union's external action under this regulation will give particular attention to their needs and empowerment and will contribute to the realisation of their potential as key agents of change by investing in human development and social inclusion.</p>
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	<p>(15) This Regulation should contribute to the collective Union objective of providing 0.7% of Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda. In that regard, at least 92% of the funding under this Regulation should contribute to actions designed in such a way that they fulfil the criteria for Official Development Assistance as established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development.</p>	<p>(15) This Regulation should must contribute to the collective Union objective of providing 0.7% of Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda. This commitment needs to be coupled with a roadmap for the EU and its member states to set out how it will be achieved. In that regard, at least 92% of the funding under this Regulation should contribute to actions designed in such a way that they fulfil the criteria for Official Development Assistance as established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development.</p>
	<p>(16) In order to ensure resources are provided to where the need is greatest, especially to the Least Developed Countries and the countries in situation of fragility and conflict, this Regulation should contribute to the collective target of reaching 0.20% of the Union Gross National Income towards Least Developed Countries within the timeframe of the 2030 Agenda.</p>	<p>(16) In order to ensure resources are provided to where the need is greatest, especially to the Least Developed Countries and the countries in situation of fragility and conflict, this Regulation should must contribute to the collective target of reaching 0.20% of the Union Gross National Income towards Least Developed Countries within the timeframe of the 2030 Agenda.</p>
	<p>(17) This Regulation should reflect the need to focus on strategic priorities, both geographically – the European Neighbourhood and Africa, as well as countries that are fragile and most in need, but also thematically – security, migration, climate change and human rights.</p>	<p>(17) This Regulation should reflect the need to focus on strategic priorities, both geographically – the European Neighbourhood and Africa, as well as Least Developed Countries and other countries that are fragile and most in need, but also thematically – achieving the Sustainable Development Goals, human security, fighting climate change and environmental degradation, fighting inequalities and contributing to realising human rights and gender equality in all EU partner countries.</p>

	<p>(19) The European Neighbourhood Policy, as reviewed in 2015, aims at the stabilisation of neighbouring countries and strengthening resilience, particularly by boosting economic development, as the Union's main political priorities. In order to attain its objective, the reviewed European Neighbourhood Policy has been focusing on four priority areas: good governance, democracy, the rule of law and human rights, with a particular focus in engaging further with civil society; economic development; security; migration and mobility, including tackling the root causes of irregular migration and forced displacement. Differentiation and enhanced mutual ownership are the hallmark of the European Neighbourhood Policy, recognising different levels of engagement, and reflecting the interests of each country concerning the nature and focus of its partnership with the Union.</p>	<p>(19) The European Neighbourhood Policy, as reviewed in 2015, aims at the stabilisation of neighbouring countries and strengthening resilience, particularly by boosting economic development, as the Union's main political priorities. In order to attain its objective, the reviewed European Neighbourhood Policy has been focusing on four priority areas: good governance, democracy, the rule of law and human rights, with a particular focus in engaging further with civil society; economic development; security; migration and mobility, including tackling the root causes of irregular migration and and assisting populations, countries and regions confronted with enhanced migratory pressure. Differentiation and enhanced mutual ownership are the hallmark of the European Neighbourhood Policy, recognising different levels of engagement, and reflecting the interests of each country concerning the nature and focus of its partnership with the Union. This Regulation should help to implement the Sustainable Development Goals in the European Neighbourhood Policy and ensure policy coherence for sustainable development throughout its objectives.</p>
	<p>(25) Whilst democracy and human rights, including gender equality and women's empowerment should be reflected throughout the implementation of this Regulation, Union assistance under the thematic programmes for human rights and democracy and civil society organisations should have a specific complementary and additional role by virtue of its global nature and its independence of action from the consent of the governments and public authorities of the third countries concerned.</p>	<p>(25) Whilst democracy and human rights, including gender equality and women's and girls' rights and empowerment should be reflected throughout the implementation of this Regulation, Union assistance under the thematic programmes for human rights and democracy and for civil society organisations should have a specific and complementary and additional role by virtue of their its global nature and their its independence of action from the consent of the governments and public authorities of the third countries concerned.</p>

	<p>(26) Civil society organisations should embrace a wide range of actors with different roles and mandates which includes all non-State, not-for-profit structures, non-partisan and non-violent, through which people organise to pursue shared objectives and ideals, whether political, cultural, social or economic. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations.</p>	<p>(26) Civil society organisations should embrace a wide range of actors with different roles and mandates which includes all non-State, not-for-profit structures, non-partisan and non-violent, through which people organise to pursue shared objectives and ideals, whether political, cultural, social or economic. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations.</p> <p>In line with the Consensus for Development this Regulation will deepen partnerships with CSOs in support of sustainable development, promoting an operating space and enabling environments for CSOs to allow them to play their multiple roles as promoters of democracy, the rule of law, social justice and human rights, defenders of rights holders, independent advocates monitoring and holding authorities to account, implementers and agents of change including through development education and awareness raising. This Regulation will promote civil society space and enhance support for, and build the capacity of CSOs, so as to strengthen their voice in the development process and to advance political, social, environmental and economic progress.</p>
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	<p>(28) Reflecting the importance of tackling climate change in line with the Union commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Regulation should contribute to mainstream climate action in the Union policies and to the achievement of an overall target of 25 % of the Union budget expenditures supporting climate objectives. Actions under this Regulation are expected to contribute 25% of its overall financial envelope to climate objectives. Relevant actions will be identified during the implementation of this Regulation, and the overall contribution from this Regulation should be part of relevant evaluations and review processes.</p>	<p>Reflecting the importance of tackling climate change, protecting the environment and fighting nature loss, in line with the Union commitments to implement the Paris Agreement, the Convention on Biological Diversity and the United Nations Sustainable Development Goals, this Regulation should contribute to mainstream climate and environmental action in the Union policies and to the achievement of an overall target of 25% 50% of the Union budget expenditures supporting climate and environment objectives. Actions under this Regulation are expected to contribute 25% 50% of its overall financial envelope to climate and environment related objectives and support actions with clear and identifiable co-benefits across sectors.</p>
	<p>(29) It is essential to further step up cooperation on migration with partner countries, reaping the benefits of well-managed and regular migration and effectively addressing irregular migration. Such cooperation should contribute to ensuring access to international protection, addressing the root causes of irregular migration, enhancing border management and pursuing efforts in the fight against irregular migration, trafficking in human beings and migrant smuggling, and working on returns, readmission and reintegration where relevant, on the basis of mutual accountability and full respect of humanitarian and human rights obligations. Therefore, third countries' effective cooperation with the Union in this area should be an integral element in the general principles of this Regulation. An increased coherence between migration and development cooperation policies is important to ensure that development assistance supports partner countries to manage migration more effectively. This Regulation should contribute to a coordinated, holistic and structured approach to migration, maximising the synergies and applying the necessary leverage.</p>	<p>It is essential to further step up cooperation on migration with partner countries, supporting efforts to facilitate safe and regular migration, reaping its benefits <i>the benefits of well-managed and regular migration</i> while effectively addressing irregular migration. Such cooperation should contribute to capacity building in migration and mobility policy, analysis, planning and management to facilitate safe and regular migration and address irregular migration; engagement with diaspora, financial intermediaries and programmes enhancing the development impact of remittances. Capacity building for strategy and policy development as well as legal and judicial development (including border management) in developing countries. This includes support to address and reduce vulnerabilities in migration, and strengthen the transnational response to smuggling of migrants and preventing and combating trafficking in human beings. Ensuring access to international protection, addressing the root causes of irregular migration forced displacement, enhancing border management and pursuing efforts in the fight against irregular migration, trafficking in persons human beings and migrant smuggling of migrants, and working on returns,</p>

		<p>readmission and reintegration where relevant, on the basis of mutual accountability and full respect of humanitarian and human rights obligations.</p> <p>Therefore, third countries' effective cooperation with the Union in this area should be an integral element in the general principles of this Regulation.</p>
	<p>(30) This Regulation should enable the Union to respond to challenges, needs and opportunities related to migration, in complementarity with Union migration policy. To contribute to that end, and without prejudice to unforeseen circumstances, 10% of its financial envelope is expected to be dedicated to addressing the root causes of irregular migration and forced displacement and to supporting migration management and governance including the protection of refugees and migrants' rights within the objectives of this Regulation.</p>	<p>(30) This Regulation should enable the Union to respond to challenges, needs and opportunities related to migration, in complementarity with Union migration policy and the priorities as set forth in the Asylum and Migration Fund. To contribute to that end, and without prejudice to unforeseen circumstances new emerging challenges or new needs, 10% of its financial envelope is expected to be dedicated to addressing the root causes of irregular migration and unsafe migration and forced displacement and to support the needs of displaced people and host communities. This shall be done by supporting decent and sustainable employment, particularly for young people, as well as healthcare, nutrition, education and other social pre-conditions to employability. Moreover, supporting migration management and governance including the protection of refugees and migrants' rights and supporting the facilitation of safe and regular migration while addressing irregular migration shall contribute to increase the development benefits of migration.</p>

	<p>(32) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.</p>	<p>(32) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of partner's needs, preferences and specific contexts, their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.</p>
	<p>(33) The new European Fund for Sustainable Development Plus ('EFSD+'), building on its successful predecessor, the EFSD70, should constitute an integrated financial package supplying financing capacity in the form of grants, budgetary guarantees and financial instruments worldwide. The EFSD+ should support the External Investment Plan and combine blending and budgetary guarantee operations covered by the External Action Guarantee, including those covering sovereign risks associated with lending operations, previously carried out under the external lending mandate to the European Investment Bank. Given its role under the Treaties and its experience over the last decades in supporting Union policies, the European Investment Bank should remain a natural partner for the Commission for the implementation of operations under the External Action Guarantee.</p>	<p>(33) The new European Fund for Sustainable Development Plus ('EFSD+'), building on its successful predecessor, the EFSD, should constitute an integrated financial package supplying financing capacity in the form of grants, budgetary guarantees and financial instruments worldwide. The EFSD+ should support the External Investment Plan and combine blending and budgetary guarantee operations covered by the External Action Guarantee, including those covering sovereign risks associated with lending operations, previously carried out under the external lending mandate to the European Investment Bank. Given its role under the Treaties and its experience over the last decades in supporting Union policies, the European Investment Bank should remain a natural partner for the Commission for the implementation of operations under the External Action Guarantee.</p>

	<p>(34) The EFSD+ should aim at supporting investments as a means of contributing to the achievement of the Sustainable Development Goals by fostering sustainable and inclusive economic and social development and promoting the socio-economic resilience in partner countries with a particular focus on the eradication of poverty, sustainable and inclusive growth, the creation of decent jobs economic opportunities skills and entrepreneurship, socioeconomic sectors, micro, small and medium-sized enterprises as well as addressing specific socioeconomic root causes of irregular migration, in accordance with the relevant indicative programming documents. Special attention should be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries.</p>	<p>(34) The EFSD+ should aim at supporting investments as a means of contributing to the achievement of the Sustainable Development Goals by fostering sustainable and inclusive economic and social development and promoting the socio-economic resilience in partner countries with a particular focus on the eradication of poverty, sustainable and inclusive economic growth progress, the creation of decent jobs and economic opportunities for women and young people, skills and entrepreneurship, socioeconomic sectors, by supporting micro, small and medium-sized enterprises and cooperatives as well as addressing climate change through mitigation and adaptation, environmental degradation and specific socioeconomic root causes of irregular migration, forced displacement in accordance with the relevant indicative programming documents. Special attention should be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries.</p>
	<p>(35) The EFSD+ should maximise additionality of funding, address market failures and sub-optimal investment situations, deliver innovative products and ‘crowd-in’ private sector funds. Involvement of the private sector in the Union’s cooperation with partner countries through the EFSD+ should yield measurable and additional development impact without distorting the market and should be cost-effective based on mutual accountability and risk and cost sharing. The EFSD+ should operate as a ‘one-stopshop’, receiving financing proposals from financial institutions and public or private investors and delivering a wide range of financial support to eligible investments.</p>	<p>(35) The EFSD+ should maximise additionality of funding, address market failures and sub-optimal investment situations, deliver innovative products and ‘crowd-in’ private sector funds to optimise the contribution of private finance to local sustainable development. Involvement of the private sector in the Union’s cooperation with partner countries through the EFSD+ should yield measurable and additional development impact in full respect of the environment and local communities’ rights and livelihoods and without distorting the local markets and unfairly competing with local economic actors. It should be cost-effective based on mutual accountability and risk and cost sharing. The EFSD+ should operate as a ‘one-stopshop’, receiving financing proposals from financial institutions and public or private investors and delivering a wide range of financial support to eligible investments.</p>

	<p>(36) An External Action Guarantee should be established building on the existing EFSD Guarantee and the Guarantee Fund for external actions. The External Action Guarantee should support the EFSD+ operations covered by budgetary guarantees, macro-financial assistance and loans to third countries on the basis of Council Decision 77/270/Euratom71. These operations should be supported by appropriations under this Regulation, together with those under Regulation (EU) No .../... (IPA III) and Regulation (EU) No .../... (EINS), which should also cover the provisioning and liabilities arising from macro-financial assistance loans and loans to third countries referred to in Article 10(2) of Regulation EINS, respectively. When funding EFSD+ operations, priority should be given to those which have a high impact on job creation and whose cost-benefit ratio enhances the sustainability of investment. The operations supported with the External Action Guarantee should be accompanied by an in-depth ex ante assessment of environmental, financial and social aspects, as appropriate and in line with the better regulation requirements. The External Action Guarantee should not be used to provide essential public services, which remains a government responsibility.</p>	<p>(36) An External Action Guarantee should be established building on the existing EFSD Guarantee and the Guarantee Fund for external actions. The External Action Guarantee should support the EFSD+ operations covered by budgetary guarantees, macro-financial assistance and loans to third countries on the basis of Council Decision 77/270/Euratom71. These operations should be supported by appropriations under this Regulation, together with those under Regulation (EU) No .../... (IPA III) and Regulation (EU) No .../... (EINS), which should also cover the provisioning and liabilities arising from macro-financial assistance loans and loans to third countries referred to in Article 10(2) of Regulation EINS, respectively. When funding EFSD+ operations, priority should be given to those which have a high impact on decent job and livelihoods creation, and whose cost-benefit ratio enhances the sustainability of investment and which provide the highest guarantees of sustainability and long-term development impact. The operations supported with the External Action Guarantee should must be accompanied by an in-depth ex ante assessment of environmental, financial and social aspects, including the impact on rights and livelihoods of affected communities and the impact on inequalities and identification of ways to address them as appropriate and in line with the better regulation requirements and taking due account of the principle of free and prior informed consent (FPIC) of affected communities in land-related investments. The External Action Guarantee should not be used to provide essential public services, which remains a government responsibility. <i>[The last sentence should be added to Regulation Art. 26.1. as per the EFSD Regulation 2017/1601]</i> Ex-post impact assessments must also happen to measure the development impact of the EFSD+ operations.</p>
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	<p>(39) External actions are often implemented in a highly volatile environment requiring continuous and rapid adaptation to the evolving needs of Union partners and to global challenges to human rights, democracy and good governance, security and stability, climate change and environment, oceans, and the migration crisis and its root causes. Reconciling the principle of predictability with the need to react rapidly to new needs consequently means adapting the financial implementation of the programmes. To increase the ability of the EU to respond to unforeseen needs, building on the successful experience of the European Development Fund (EDF), an amount should be left unallocated as an emerging challenges and priorities cushion. It should be mobilised in accordance with the procedures established in this Regulation.</p>	<p>(39) External actions are often implemented in a highly volatile environment requiring continuous and rapid adaptation to the evolving needs of Union partners and to global challenges to human rights, democracy and good governance, security and stability, climate change and environment, oceans, and the impact of the enhanced numbers affected by global displacement and its root causes. Reconciling the principle of predictability with the need to react rapidly to new needs consequently means adapting the financial implementation of the programmes. To increase the ability of the EU to respond to unforeseen needs, building on the successful experience of the European Development Fund (EDF), an amount should be left unallocated as an emerging challenges and priorities-cushion needs envelope. It should be mobilised in accordance with the procedures established in this Regulation.</p>
	<p>(43) Annual or multi-annual action plans and measures referred to in Article 19 constitute work programmes under the Financial Regulation. Annual or multi-annual action plans consist of a set of measures grouped into one document.</p>	<p>(43) Annual or multi-annual action plans and measures referred to in Article 19 constitute work programmes under the Financial Regulation. Annual or multi-annual action plans consist of a set of measures specifying the objectives pursued, the expected results and main activities, the methods and partners of implementation, the budget and any associated support expenditures, grouped into one document.</p>

	<p>(47) Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016⁷⁸, there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Programme on the ground. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.</p>	<p>These requirements, where appropriate, can should include measurable indicators, as a basis for evaluating the effects of the Programme on the ground. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including relevant stakeholders and experts at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.</p>
<p>TITLE I GENERAL PROVISIONS</p>		
<p>Article 3 Objectives</p>	<p>1. The general objective of this Regulation is to uphold and promote the Union's values and interests worldwide in order to pursue the objectives and principles of the Union's external action, as laid down in Article 3(5), Articles 8 and 21 of the Treaty on European Union.</p> <p>2. In accordance with paragraph 1, the specific objectives of this Regulation are the following:</p> <p>(a) to support and foster dialogue and cooperation with third countries and regions in the Neighbourhood, in Sub-Saharan Africa, in Asia and the Pacific, and in the Americas and the Caribbean;</p> <p>(b) at global level, to consolidate and support democracy, rule of law</p>	<p>1. The general objective of this Regulation is to uphold and promote the Union's values and interests worldwide in order to pursue the objectives and principles of the Union's external action, as laid down in Article 3(5), Articles 8 and 21 of the Treaty on European Union, while respecting the policy framework for EU development cooperation as laid down in Art. 208 of the Treaty on the Functioning of the European Union, the European Consensus on Development, the Agenda 2030 on Sustainable Development, and the Paris Agreement on Climate Change.</p> <p>2. (a) (...) with the objective of achieving sustainable development, eradicating poverty and combating inequalities;</p>

	<p>and human rights, support civil society organisations, further stability and peace and address other global challenges including migration and mobility;</p> <p>(c) to respond rapidly to: situations of crisis, instability and conflict; resilience challenges and linking of humanitarian aid and development action; and foreign policy needs and priorities.</p> <p>The achievement of these objectives shall be measured using relevant indicators as referred to in Article 31.</p> <p>3. At least 92% of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development.</p>	<p>2.(b) at global level, to consolidate and support democracy, rule of law, human rights and gender equality, support civil society organisations, further stability and peace and address other global challenges including migration and mobility.</p> <p>2. (c) and foreign policy needs and priorities.</p> <p>3. (a) This Regulation should contribute to the collective Union objectives of providing 0.7% of Gross National Income as Official Development Assistance and at least 0.2% of Gross National Income towards Least Developed Countries, within the timeframe of the 2030 Agenda. At least 92% of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, as currently established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development.</p> <p>NEW 3. (b) At least 20% of the Official Development Assistance funded under this Regulation, across all programmes, geographic and thematic, annually and over the duration of its actions should be ring-fenced for social inclusion and human development, in order to support and strengthen the provision of basic social services, such as health - including nutrition, education and social protection, particularly to the most marginalised including women and children.</p> <p>NEW 3. (c) At least 85% of the Official Development Assistance funded under this Regulation should have gender equality and women’s and girls’ rights and empowerment as a principal or significant objective, across all programmes, geographic and thematic, annually and over the duration of its actions. In</p>
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		<p>addition, 20% of these programmes should have gender equality and women’s and girls’ rights and empowerment as a principal objective.</p> <p>NEW 3. (d) This Regulation should contribute 50% of its overall financial envelope to climate and environment related objectives and actions.</p>
<p>Article 4 Scope and structure</p>	<p>1. Union funding under this Regulation shall be implemented through:</p> <p>(a) geographic programmes;</p> <p>(b) thematic programmes;</p> <p>(c) rapid response actions.</p> <p>4. The rapid response actions shall enable early action to:</p> <p>(a) contribute to stability and conflict prevention in situations of urgency, emerging crisis, crisis and post-crisis;</p> <p>(b) contribute to strengthening resilience of states, societies, communities and individuals and to linking humanitarian aid and development action;</p> <p>(c) address foreign policy needs and priorities.</p> <p>Rapid response actions may cover all third countries as well as overseas countries and territories as defined in Council Decision .../... (EU).</p> <p>In order to attain the objectives laid down in Article 3, rapid response actions shall be based on the areas of intervention listed in Annex IV.</p> <p>5. Actions under this Regulation shall be primarily implemented through geographic programmes.</p> <p>Actions implemented through thematic programmes shall be complementary to actions funded under geographic programmes and shall support global and transregional initiatives for achieving internationally agreed goals, in particular the Sustainable Development Goals, protecting global public goods or addressing global challenges. Actions through thematic programmes may also be</p>	<p>1. Union funding under this Regulation shall be implemented through:</p> <p>(a) geographic programmes;</p> <p>(b) thematic programmes;</p> <p>(c) rapid response actions.</p> <p>Actions implemented under these programmes shall be linked to the pursuit of the Sustainable Development Goals.</p> <p>4 (c) address foreign policy needs and priorities.</p> <p>5. Actions under this Regulation shall be primarily implemented through geographic programmes.</p> <p>Actions implemented through thematic programmes shall be complementary to actions funded under geographic programmes and shall support global and transregional initiatives for achieving internationally agreed goals, in particular the Sustainable Development Goals, protecting global public goods or addressing global challenges.</p>

	<p>undertaken where there is no geographic programme, or where it has been suspended, or where there is no agreement on the action with the partner country concerned, or where the action cannot be adequately addressed by geographic programmes.</p> <p>Rapid response actions shall be complementary to geographic and thematic programmes. These actions shall be designed and implemented to enable, where relevant, their continuity under geographic or thematic programmes.</p>	
<p>Article 6 Budget</p>	<p>1. The financial envelope for the implementation of this Regulation for the period 2021– 2027 shall be EUR 89 200 million in current prices.</p> <p>2. The financial envelope referred to in paragraph 1 shall be composed of:</p> <p>(a) EUR 68 000 million for geographic programmes:</p> <ul style="list-style-type: none"> – Neighbourhood at least EUR 22 000 million, – Sub-Saharan Africa at least EUR 32 000 million, – Asia and the Pacific EUR 10 000 million, – Americas and the Caribbean EUR 4 000 million, <p>(b) EUR 7 000 million for thematic programmes:</p> <ul style="list-style-type: none"> – Human Rights and Democracy EUR 1 500 million, – Civil Society Organisations EUR 1 500 million, – Stability and Peace EUR 1 000 million, – Global Challenges EUR 3 000 million, <p>(c) EUR 4 000 million for rapid response actions.</p> <p>3. The emerging challenges and priorities cushion of an amount of EUR 10 200 million shall increase the amounts referred to in paragraph 2 in accordance with Article 15.</p> <p>4. The financial envelope referred to in paragraph 2 (a) shall correspond to at least 75 % of the financial envelope referred to in paragraph 1.</p>	<p>2.(b) EUR 9 700 7000 million for thematic programmes:</p> <ul style="list-style-type: none"> – Human Rights and Democracy EUR 1 500 million, – Civil Society Organisations EUR 1 500 2 200 million, – Stability and Peace EUR 1 000 million, – Global Challenges EUR 3 000 5 000 million, <p>(c) EUR 4 000 million for rapid response actions.</p> <p>3. The emerging challenges and priorities-needs cushion envelope of an amount of EUR 10 200 7 500 million shall increase the amounts referred to in paragraph 2 in accordance with Article 15.</p>

<p>Article 7 Policy framework</p>	<p>The association agreements, partnership and cooperation agreements, multilateral agreements, and other agreements that establish a legally binding relationship with partner countries, as well as, European Council conclusions and Council conclusions, summit declarations or conclusions of high-level meetings with partner countries, relevant European Parliament resolutions, communications of the Commission or Joint communications of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy, shall constitute the overall policy framework for the implementation of this Regulation.</p>	<p>The European Consensus on Development, the EU Strategic Framework and Action Plan for Human Rights and Democracy, the association agreements, partnership and cooperation agreements, multilateral agreements, and other agreements that establish a legally binding relationship with partner countries, as well as, European Council conclusions and Council conclusions, summit declarations or conclusions of high-level meetings with partner countries, relevant European Parliament resolutions, communications of the Commission or Joint communications of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy, shall constitute the overall policy framework for the implementation of this Regulation.</p>
<p>Article 8 General principles</p>	<p>1. The Union shall seek to promote, develop and consolidate the principles of democracy, the rule of law and respect for human rights and fundamental freedoms on which it is founded, through dialogue and cooperation with partner countries and regions.</p> <p>2. A rights-based approach encompassing all human rights, whether civil and political or economic, social and cultural shall be applied in order to integrate human rights principles, to support the right holders in claiming their rights with a focus on poorer and more vulnerable groups and to assist partner countries in implementing their international human rights obligations. This Regulation shall promote gender equality and women’s empowerment.</p> <p>3. The Union shall support, as appropriate, the implementation of bilateral, regional and multilateral cooperation and dialogue, partnership agreements and triangular cooperation.</p> <p>The Union shall promote a multilateral and rules-based approach to global goods and challenges and shall cooperate with Member States, partner countries, international organisations and other donors in that respect. The Union shall foster cooperation with international organisations and other donors.</p> <p>In relations with partner countries, their track record in implementing</p>	<p>2. A rights-based approach encompassing all human rights, whether civil and political or economic, social and cultural, shall be applied in order to integrate human rights principles, to support the right holders in claiming their rights with a focus on poorer and more vulnerable marginalised groups including minorities, women and girls, older persons, children, LGBTI persons, indigenous people and people with disabilities, and to assist partner countries in implementing their international human rights obligations. This Regulation shall promote gender equality and women’s empowerment.</p> <p>NEW 3. This Regulation shall promote gender equality, women’s and girls’ rights and empowerment.</p> <p>NEW 4. This Regulation shall give particular attention to the needs and empowerment of children and youth, in particular girls and young women, whilst contributing to the realisation of their potential as key agents of change.</p>

<p><i>Article 8.6 is important to be maintained</i></p>	<p>commitments, international agreements, and contractual relations with the Union shall be taken into account.</p> <p>4. Cooperation between the Union and the Member States, on the one hand, and partner countries, on the other hand, shall be based on and shall promote the development effectiveness principles, where applicable, namely: ownership of development priorities by partner countries, a focus on results, inclusive development partnerships, transparency and mutual accountability. The Union shall promote effective and efficient resource mobilisation and use.</p> <p>In line with the principle of inclusive partnership, where appropriate, the Commission shall ensure that relevant stakeholders of partner countries, including civil society organisations and local authorities, are duly consulted and have timely access to relevant information allowing them to play a meaningful role during the design, implementation and associated monitoring processes of programmes.</p> <p>In line with the principle of ownership the Commission, where appropriate, shall favour the use of partner countries' systems for the implementation of programmes.</p> <p>5. In order to promote the complementarity and efficiency of their action, the Union and the Member States shall coordinate their policies and shall consult each other on their assistance programmes, including in international organisations and during international conferences.</p> <p>6. Programmes and actions under this Regulation shall mainstream climate change, environmental protection and gender equality and shall address interlinkages between Sustainable Development Goals, to promote integrated actions that can create co-benefits and meet multiple objectives in a coherent way. These programmes and actions shall be based on an analysis of risks and vulnerabilities, integrate a resilience approach and be conflict sensitive. They shall be guided by the principle of leaving no one behind.</p> <p>7. A more coordinated, holistic and structured approach to migration</p>	<p>3. The Union shall support, as appropriate, the implementation of bilateral, regional and multilateral cooperation and dialogue, partnership agreements and triangular cooperation.</p> <p>The Union shall promote a multilateral and rules-based approach to global public goods and challenges and shall cooperate with Member States, partner countries, international organisations and other donors in that respect. The Union shall foster cooperation with international organisations and other donors.</p> <p>In relations with partner countries, their track record in implementing commitments, international agreements, and contractual relations with the Union shall be taken into account.</p> <p>4. Cooperation between the Union and the Member States, on the one hand, and partner countries, on the other hand, shall be based on and shall promote the aid and development effectiveness principles, where applicable, namely: ownership of development priorities by developing countries, alignment, harmonisation, a focus on results, inclusive development partnerships as well as transparency and mutual accountability.</p> <p>In line with the principle of inclusive partnership, where appropriate, the Commission shall ensure that relevant stakeholders of partner countries, including civil society organisations and local authorities, are duly consulted, have timely access to relevant information, and are enabled to play a meaningful role during the design, implementation and associated monitoring processes of programmes.</p> <p>6. Programmes and actions under this Regulation shall mainstream climate change, environmental protection, gender equality and shall address interlinkages between Sustainable Development</p>
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	<p>shall be pursued with partners and its effectiveness be regularly assessed.</p> <p>8. The Commission shall inform and have regular exchanges of views with the European Parliament.</p>	<p>Goals, to promote integrated actions that can create co-benefits and meet multiple objectives in a coherent way. These programmes and actions shall be based on an analysis of risks and vulnerabilities, including an understanding of multiple discriminations and their impacts on specific groups, integrate a resilience approach and be conflict sensitive. They shall be guided by the principle of leaving no one behind.</p>
<p>Article 9 Capacity building of military actors in support of development and security for development</p>	<p>2. In order to contribute to sustainable development, which requires the achievement of stable, peaceful and inclusive societies, Union assistance under this Regulation may be used in the context of a wider security sector reform or to build the capacity of military actors in partner countries, under the exceptional circumstances set out in paragraph 4, to deliver development activities and security for development activities.</p> <p>3. Assistance pursuant to this Article may cover in particular the provision of capacity building programmes in support of development and security for development, including training, mentoring and advice, as well as the provision of equipment, infrastructure improvements and services directly related to that assistance.</p> <p>7. The Commission shall establish appropriate risk assessment, monitoring and evaluation procedures for measures pursuant to this Article.</p>	<p>Option 1: Delete Article 9</p> <p>Option 2:</p> <p>2. In order to contribute to sustainable development, which requires the achievement of stable, peaceful and inclusive societies, Union assistance under this Regulation may be used in the context of a wider security sector reform or to build the capacity of military actors in partner countries, under the exceptional circumstances set out in paragraph 4, to deliver development activities and security for development activities. Union assistance to this end should fulfil the reporting rules on peace and security related expenditure of the Development Assistance Committee of the Organisation for Economic Cooperation and Development.</p> <p>3. Assistance pursuant to this Article may cover in particular the provision of capacity building programmes in support of development and security for development, including training, mentoring and advice, for civil society actors to develop their capacity to monitor and make use of safeguarding mechanisms, as well as the provision of equipment, infrastructure improvements and services directly related to that assistance.</p>

		7. The Commission shall establish appropriate risk assessment and conflict analyses, including gender analysis , monitoring and evaluation procedures for measures pursuant to this Article.
TITLE II IMPLEMENTATION OF THIS REGULATION		
Chapter 1 Programming		
<p>Article 10 General programming approach</p> <p><i>Article 10.(d) is important to be maintained</i></p>	<p>1. Cooperation and interventions under this Regulation shall be programmed, except for rapid response actions referred to in Article 4 (4).</p> <p>2. On the basis of Article 7, programming under this Regulation shall be based on the following:</p> <p>(a) programming documents shall provide a coherent framework for cooperation between the Union and partner countries or regions, consistent with the overall purpose and scope, objectives and principles set out in this Regulation;</p> <p>(b) the Union and the Member States shall consult each other at an early stage of and throughout the programming process in order to promote coherence, complementarity and consistency among their cooperation activities. Joint programming shall be the preferred approach for country programming. Joint programming shall be open to other donors where relevant;</p> <p>(c) the Union shall also consult other donors and actors, including representatives of civil society and local authorities, where relevant;</p> <p>(d) the Human Rights and Democracy and Civil Society thematic programmes referred to in Article 4(3)(a) and (b) shall provide assistance independently of the consent of governments and other public authorities of the third countries concerned. These thematic programmes shall mainly support civil society organisations.</p>	<p>2. (c) the Union shall also consult other donors and actors, including representatives of civil society and local authorities, where relevant;</p> <p>NEW 3. Programming shall be based on a dialogue between the Union, the Member States and the partner countries concerned, including national and local authorities, involving civil society, national and local parliaments and other stakeholders, with regular and meaningful consultations.</p> <p>NEW 4. Programming shall ensure complementarity between geographic and thematic programmes as well as inclusive partnerships, in accordance with the principles laid out in Art. 8.</p>

<p>Article 11 Programming principles for geographic programmes</p>	<p>1. Programming of geographic programmes shall be based on the following principles: (a) without prejudice to paragraph 4, actions shall be based, to the extent possible, on a dialogue between the Union, the Member States and the partner countries concerned, including national and local authorities, involving civil society, national and local parliaments and other stakeholders, in order to enhance ownership of the process and to encourage support for national and regional strategies; (b) where appropriate, the programming period shall be synchronised with the strategy cycles of partner countries; (c) programming may envisage cooperation activities funded from different allocations listed in Article 6(2) and from other Union Programmes according to their basic acts.</p> <p>2. Programming of geographic programmes shall provide a specific, tailor-made framework for cooperation based on: (a) the partners' needs, established on the basis of specific criteria, taking into account the population, poverty, inequality, human development, economic and environmental vulnerability, and state and societal resilience; (b) the partners' capacities to generate and access financial resources and on their absorption capacities; (c) the partners' commitments and performance, established on the basis of criteria such as political reform and economic and social development; (d) the potential impact of Union funding in partner countries and regions; (e) the partner's capacity and commitment to promote shared interests and values, and to support common goals and multilateral alliances, as well as the advancement of Union priorities.</p> <p>5. Programming documents for geographic programmes shall be</p>	<p>1. (a) without prejudice to paragraph 4, Actions shall be based, to the extent possible, on an inclusive dialogue between the Union, the Member States and the partner countries concerned, including national and local authorities, involving civil society, national and local parliaments and other stakeholders including marginalised groups as per Article 8.2 in order to enhance ownership of the process and to encourage support for national and regional strategies;</p> <p>2. Programming of geographic programmes shall provide a specific, tailor-made framework for cooperation based on: (a) the partners' needs, established on the basis of specific criteria and in-depth analysis, taking into account the population, poverty, inequality, human development, economic and environmental vulnerability, human rights, democracy and civic space, gender equality and state and societal resilience; c) the partners' commitments and performance, established on the basis of criteria such as political reform and economic and social development; (e) the partner's capacity and commitment to promote shared interests and values, and to support common goals and multilateral alliances, as well as the advancement of Union priorities.</p> <p>5. Programming documents for geographic programmes shall be results-based and shall take into account, where appropriate, internationally agreed targets and indicators (...)</p>
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	<p>results-based and shall take into account, where appropriate, internationally agreed targets and indicators, in particular those set out for the Sustainable Development Goals, as well as country level result frameworks, to assess and communicate the Union contribution to results, at the level of outputs, outcomes and impact.</p> <p>6. When drawing up the programming documents for countries and regions in crisis, or post-crisis, fragile and vulnerable situations, due account shall be taken of the special needs and circumstances of the countries or regions concerned.</p> <p>Where partner countries or regions are directly involved in, or affected by, a crisis, post-crisis or situation of fragility, special emphasis shall be placed on stepping up coordination amongst all relevant actors to help the transition from an emergency situation to the development phase.</p>	<p>6. When drawing up the programming documents for countries and regions in crisis, or post-crisis, fragile and vulnerable situations, due account shall be taken of the special needs and circumstances of the countries or regions concerned. The drafting of programming documents for countries and regions in crisis, or post-crisis, fragile and vulnerable situations, shall be carried out on the basis of context specific analyses and a rights-based approach.</p>
<p>Article 12 Programming documents for geographic programmes</p>	<p>1. The implementation of this Regulation shall be carried out for geographic programmes through multiannual country and multi-country indicative programmes.</p> <p>2. Multiannual indicative programmes shall set out the priority areas selected for Union financing, the specific objectives, the expected results, clear and specific performance indicators, and the indicative financial allocations, both overall and per priority area.</p>	<p>2. Multiannual indicative programmes shall set out the priority areas and aid modalities selected for Union financing, the specific objectives, the expected results, clear and specific performance indicators disaggregated at least by gender and age, and the indicative financial allocations, both overall and per priority area, including envelopes dedicated to civil society support.</p>

<p>Article 13 Programming documents for thematic programmes</p>	<p>1. The implementation of this Regulation shall be carried out for thematic programmes through multiannual indicative programmes.</p> <p>2. Multiannual indicative programmes for thematic programmes shall set out the Union's strategy, the priorities selected for financing by the Union, the specific objectives, the expected results, clear and specific performance indicators, and the international situation and the activities of the main partners for the theme concerned. Where applicable, resources and intervention priorities shall be laid down for participation in global initiatives.</p> <p>Multiannual indicative programmes for thematic programmes shall set out the indicative financial allocation, overall, by area of cooperation and by priority. The indicative financial allocation may be given in the form of a range.</p>	<p>2. Multiannual indicative programmes for thematic programmes shall set out the Union's strategy, the priorities selected for financing by the Union, the specific objectives, the expected results, clear and specific performance indicators, disaggregated at least by gender and age, and the international situation and the activities of the main partners for the theme concerned. Where applicable, resources and intervention priorities shall be laid down for participation in global initiatives.</p>
<p>Article 14 Adoption and amendment of multiannual indicative programmes</p>	<p>3. Multiannual indicative programmes for geographic programmes may be reviewed where necessary for effective implementation, in particular where there are substantive changes in the policy framework referred to in Article 7 or following a crisis or post-crisis situation.</p> <p>4. Multiannual indicative programmes for thematic programmes may be reviewed where necessary for effective implementation, in particular where there are substantive changes in the policy framework referred to in Article 7.</p> <p>5. On duly justified imperative grounds of urgency, such as crises or immediate threats to democracy, the rule of law, human rights or fundamental freedoms, the Commission may amend multiannual indicative programmes referred to in Articles 12 and 13 of this Regulation by implementing acts adopted in accordance with the urgency procedure referred to in Article 35(4).</p>	<p>3. Multiannual indicative programmes for geographic programmes may be reviewed where necessary for effective implementation, in particular where there are substantive changes in the policy framework referred to in Article 7 or following a crisis or post-crisis situation.</p> <p>4. Multiannual indicative programmes for thematic programmes may be reviewed where necessary for effective implementation, in particular where there are substantive changes in the policy framework referred to in Article 7.</p>
<p>Article 15 Emerging</p>	<p>1. The amount referred to in Article 6(3) shall be used inter alia: (a) to ensure an appropriate response of the Union in the event of</p>	<p>Article 15 Emerging challenges and priorities cushion needs envelope</p>

<p>challenges and priorities cushion</p>	<p>unforeseen circumstances; (b) to address new needs or emerging challenges, such as those at the Union's or its neighbours' borders linked to crisis and post-crisis situations or migratory pressure; (c) to promote new Union led or international initiatives or priorities. 2. The use of these funds shall be decided in accordance with the procedures established in Articles 14 and 21.</p>	<p>1. (a) to ensure an appropriate response of the Union in the event of unforeseen circumstances; (b) to address new needs or emerging challenges or new needs, such as those at the Union's or its neighbours' borders linked to crisis and post-crisis situations or migratory pressure; (c) to promote new Union led or international initiatives or priorities</p>
<p>Chapter II Specific provisions for the Neighbourhood</p>		
<p>Article 16 Programming documents and allocation criteria</p>	<p>1. For partner countries listed in Annex I, priority areas for Union financing shall be mainly selected from those included in documents referred to in Article 12(3)(c), in accordance with the areas of cooperation of the Neighbourhood area set out in Annex II. 2. By way of derogation from Article 11(2), Union support under geographic programmes in the Neighbourhood area shall be differentiated in form and amounts, taking into account the following elements, reflecting the partner country's: (a) needs, using indicators such as population and level of development; (b) commitment to and progress in implementing jointly agreed political, economic and social reform objectives; (c) commitment to and progress in building deep and sustainable democracy; (d) partnership with the Union, including the level of ambition for that partnership; (e) absorption capacity and potential impact of Union support under this Regulation. 3. The support referred to in paragraph 2 shall be reflected in the programming documents referred to in Article 12.</p>	<p>2. a) needs, using indicators such as population and level of development needs, established on the basis of specific criteria and in-depth analysis, taking into account the population, poverty, inequality, human development, economic and environmental vulnerability, human rights, democracy and civic space, gender equality and state and societal resilience; 2 (b) commitment to and progress in implementing jointly agreed political, economic, social and environmental reform objectives;</p>

<p>Article 17 Performance-based approach</p>	<p>2. The performance-based approach shall not apply to support to civil society, people to people contacts, including cooperation between local authorities, support for the improvement of human rights, or crisis-related support measures. In the event of serious or persistent degradation of democracy, human rights or rule of law, support to these actions may be increased.</p>	<p>2. The performance-based allocations shall be decided on the basis of their progress towards democracy, human rights, rule of law and good governance cooperation on migration, economic governance and reforms. The progress of partner countries shall be assessed annually with the involvement of civil society.</p>
<p>Chapter III Action plans, measures and implementing methods</p>		
<p>Article 19 Action plans and measures</p>	<p>1. The Commission shall adopt annual or multiannual action plans or measures. The measures may take the form of individual measures, special measures, support measures or exceptional assistance measures. Action plans and measures shall specify for each action the objectives pursued, the expected results and main activities, the methods of implementation, the budget and any associated support expenditures.</p> <p>2. Action plans shall be based on programming documents, except for cases referred to in paragraphs 3 and 4. When necessary, an action may be adopted as an individual measure before or after the adoption of action plans. Individual measures shall be based on programming documents, except for cases referred to in paragraph 3 and in other duly justified cases.</p> <p>In the event of unforeseen needs or circumstances, and when funding is not possible from more appropriate sources, the Commission may adopt special measures not provided for in the programming documents.</p>	<p>1. The Commission shall adopt annual or multiannual action plans or measures. The measures may take the form of individual measures, special measures, support measures or exceptional assistance measures. Action plans and measures shall specify for each action the objectives pursued, the expected results and main activities, the methods and partners of implementation, the budget and associated support expenditures, and the way in which they contribute towards the targets on human development and social inclusion, gender equality and women’s and girls’ rights and empowerment, and climate change and environment as indicated in Article 3.3, including indicative allocations. Their potential adverse effects on these targets should also be considered and plans should be adjusted accordingly.</p> <p>2.(...)In the event of unforeseen needs or circumstances, or identified adverse effects on the specific objectives of the Regulation, and when funding is not possible from more appropriate sources, the Commission may adopt special measures not provided for in the programming documents.</p>
<p>Article 21 Adoption of action plans and measures</p>	<p>1. Action plans and measures shall be adopted by means of implementing acts adopted in accordance with the examination procedure referred to in Article 35(2).</p> <p>2. The procedure referred to in paragraph 1 shall not be required for:</p> <p>(a) action plans, individual measures and support measures, for which</p>	<p>2. (b) special measures as well as action plans and measures adopted in order to implement rapid response actions, to respond to crisis and post-crisis situations, for which the Union's funding does not exceed EUR 20 million;</p>

	<p>the Union's funding does not exceed EUR 10 million; (b) special measures as well as action plans and measures adopted in order to implement rapid response actions for which the Union's funding does not exceed EUR 20 million; (c) technical amendments, provided such amendments do not substantially affect the objectives of the action plan or measure concerned, such as: (i) change of method of implementation; (ii) reassignments of funds between actions contained in an action plan; (iii) increases or reductions of the budget of action plans and measures by not more than 20 % of the initial budget and not exceeding EUR 10 million; In case of multiannual action plans and measures, the thresholds referred to in paragraph (2)(a), (b) and (c) (iii) shall be applicable on a yearly basis. When adopted in accordance with this paragraph, action plans and measures, except exceptional assistance measures, and technical amendments shall be communicated to the European Parliament and to the Member States through the relevant committee referred to in Article 35 within one month of their adoption.</p> <p>5. Appropriate environmental screening, including for climate change and biodiversity impacts, shall be undertaken at the level of actions, in accordance with the applicable legislative acts of the Union, including Directive 2011/92/EU82 of the European Parliament and of the Council and Council Directive 85/337/EEC83, comprising, where applicable, an environmental impact assessment for environmentally sensitive actions, in particular for major new infrastructure. Where relevant, strategic environmental assessments shall be used in the implementation of sectoral programmes. The involvement of</p>	<p>5. Appropriate human rights, social and environmental screening, including for climate change and biodiversity impacts, shall be undertaken at the level of actions, in accordance with the applicable legislative acts of the Union, (...) Where relevant, strategic human rights, social and environmental assessments shall be used in the implementation of sectoral programmes. The involvement of interested stakeholders in environmental these assessments and public access to the results of such assessments shall be ensured.</p>
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	<p>interested stakeholders in environmental assessments and public access to the results of such assessments shall be ensured.</p>	
<p>Article 23 Forms of EU funding and methods of implementation</p> <p><i>Article 23.3 is important to be maintained</i></p>	<p>2. When working with stakeholders of partner countries, the Commission shall take into account their specificities, including their needs and the relevant context, when defining the financing modalities, the type of contribution, the award modalities and the administrative provisions for the management of grants, with a view to reaching and best responding to the widest possible range of such stakeholders. Specific modalities shall be encouraged in accordance with the Financial Regulation, such as partnership agreements, authorisations of financial support to third parties, direct award or eligibility-restricted calls for proposals, or lump sums, unit costs and flatrate financing as well as financing not linked to costs as envisaged in Article 125(1) of the Financial Regulation.</p> <p>3. Budget support as referred to in point (c) of paragraph 1, including through sector reform performance contracts, shall be based on country ownership, mutual accountability and shared commitments to universal values, democracy, human rights, the rule of law, and aims at strengthening partnerships between the Union and partner countries. It shall include reinforced policy dialogue, capacity development, and improved governance, complementing partners' efforts to collect more and spend better in order to support sustainable and inclusive economic growth and jobs and poverty eradication.</p> <p>Any decision to provide budget support shall be based on budget</p>	<p>2. When working with stakeholders of partner countries, the Commission shall take into account their specificities, including their needs and the relevant context, when defining the financing modalities, the type of contribution, the award modalities and the administrative provisions for the management of grants, with a view to reaching and best responding to the widest possible range of such stakeholders. This assessment must take into account the conditions for a meaningful participation and involvement of all stakeholders, in particular local civil society. Specific modalities shall be encouraged in accordance with the Financial Regulation, such as partnership agreements, authorisations of financial support to third parties, direct award or eligibility-restricted calls for proposals, or lump sums, unit costs and flat rate financing as well as financing not linked to costs as envisaged in Article 125(1) of the Financial Regulation. The different modalities must be implemented with transparency, be traceable and allow for innovation.</p> <p>3. Budget support as referred to in point (c) of paragraph 1, including through sector reform performance contracts, shall be based on country ownership, mutual accountability and shared commitments to universal values, democracy, human rights, gender equality, social inclusion and human development, the rule of law, and aims at strengthening partnerships between the Union and partner countries. It shall include reinforced policy dialogue, capacity development, gender budgeting and improved governance including budget monitoring by civil society, complementing partners' efforts to collect more and spend better in order to support sustainable and inclusive economic growth</p>

	support policies agreed by the Union, a clear set of eligibility criteria and a careful assessment of the risks and benefits.	development and jobs, the reduction of inequalities and poverty eradication.
<p>Article 24 Eligible persons and entities</p> <p><i>Article 24.12 is important to be maintained</i></p>	<p>1. Participation in procurement, grant and prize award procedures for actions financed under geographic programmes and under the Civil Society Organisations and Global Challenges programmes shall be open to international organisations and to all other legal entities who are nationals of and, in the case of legal persons, who are also effectively established in, the following countries or territories: (...)</p> <p>9. The eligibility rules of this Article may be restricted with regard to the nationality, geographical location or nature of applicants, where such restrictions are required on account of the specific nature and the objectives of the action and where they are necessary for its effective implementation.</p> <p>12. Under the Democracy and Human Rights programme, any entity not covered under the definition of legal entity in Article 2(6) shall be eligible when this is necessary to pursue the areas of intervention of this programme.</p>	<p>1. Participation in procurement, grant and prize award procedures for actions financed under geographic programmes and under the Civil Society Organisations and the Global Challenges programme, shall be open to international organisations and to all other legal entities who are nationals of and, in the case of legal persons, who are also effectively established in, the following countries or territories:</p> <p>9. The eligibility rules of this Article may be restricted with regard to the nationality, geographical location or nature of applicants, where such restrictions are required on account of the specific nature and the objectives of the action and where they are necessary for its effective implementation as duly justified by the contracting authority.</p>
Chapter IV EFSD+, budgetary guarantees and financial assistance to third countries		

<p>Article 26 Scope and financing</p>	<p>1. The financial envelope referred to in Article (6)(2)(a) shall finance the European Fund for Sustainable Development Plus (EFSD+) and the External Action Guarantee. The purpose of the EFSD+ as an integrated financial package supplying financial capacity drawing on the methods of implementation set up in Article 23(1)(a), (e), (f) and (g), shall be to support investments and increase access to financing, in order to foster sustainable and inclusive economic and social development and promote the socio-economic resilience in partner countries with a particular focus on the, eradication of poverty, sustainable and inclusive growth, the creation of decent jobs, economic opportunities, skills and entrepreneurship, socio-economic sectors, micro, small and medium-sized enterprises as well as addressing specific socioeconomic root causes of irregular migration, in accordance with the relevant indicative programming documents. Special attention shall be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries.</p> <p>2. The External Action Guarantee shall support the EFSD+ operations covered by budgetary guarantees in accordance with Articles 27, 28 and 29 of this Regulation, macro-financial assistance and loans to third countries referred to in Article 10(2) of Regulation EINS.</p> <p>3. Under the External Action Guarantee, the Union may guarantee operations, signed between 1 January 2021 and 31 December 2027, up to EUR 60 000 000 000.</p> <p>4. The provisioning rate shall range between 9% and 50% depending on the type of operations. The provisioning rate for the External Action Guarantee shall be 9% for the Union's macro-financial assistance and for budgetary guarantees covering sovereign risks associated with lending operations. The provisioning rates shall be reviewed every three years from the</p>	<p>1. The financial envelope referred to in Article (6)(2)(a) shall finance the European Fund for Sustainable Development Plus (EFSD+) and the External Action Guarantee up to the maximum amount equivalent to xx % of that envelope (or to the maximum amount of xx euros). The purpose of the EFSD+ as an integrated financial package supplying financial capacity drawing on the methods of implementation set up in Article 23(1)(a), (e), (f) and (g), shall be to support investments and increase access to financing, in order to foster sustainable and inclusive economic and social development and promote the socio-economic resilience in partner countries with a particular focus on the eradication of poverty, sustainable and inclusive economic growth progress, the creation of decent jobs and economic opportunities, in particular for women and young people, skills and entrepreneurship, socio-economic sectors with a focus on social enterprises and cooperatives in view of their potential to reduce poverty and inequalities, supporting micro, small and medium-sized enterprises as well as addressing climate change through mitigation and adaptation and specific socioeconomic root causes of irregular migration unsafe migration and forced displacement, in accordance with the relevant indicative programming documents. Special attention shall be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries. The EFSD+ Guarantee should not be used to replace government responsibility for providing essential public services which remains a government responsibility. <i>[wording on essential public services comes from 2017 EFSD Regulation, para. 23; support to cooperatives comes from the 2017 EFSD Regulation, para. 1 (e)]</i></p> <p>3. Needs to be amended.</p>
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<p>date of application of this Regulation laid down in Article 40. The Commission shall be empowered to adopt delegated acts in accordance with Article 34 to supplement or amend these rates.</p> <p>5. The External Action Guarantee shall be considered as a single guarantee in the common provisioning fund established by Article 212 of the Financial Regulation.</p> <p>6. The EFSD+ and the External Action Guarantee may support financing and investment operations in partner countries in the geographical areas referred to in Article 4(2). The provisioning of the External Action Guarantee shall be financed from the budget of the relevant geographic programmes established by Article 6(2)(a) and shall be transferred into the common provisioning fund. The EFSD+ and the External Action Guarantee may also support operations in beneficiaries listed in Annex I of Regulation IPA III. The funding for these operations under the EFSD+ and for the provisioning of the External Action Guarantee shall be financed from the Regulation IPA. The provisioning of the External Action Guarantee for loans to third countries referred to in Article 10 (2) of Regulation EINS shall be financed from Regulation EINS.</p> <p>7. The provisioning referred to in Article 211(2) of the Financial Regulation shall be constituted on the basis of the Union's total outstanding liabilities arising from each operation, including operations signed before 2021 and guaranteed by the Union. The annual amount of provisioning required may be constituted during a period of up to seven years.</p> <p>8. The balance of assets by 31 December 2020 in the EFSD Guarantee Fund and in the Guarantee fund for external actions established respectively by Regulation EU 2017/1601 of the European Parliament and the Council and Council Regulation (EC, Euratom) No 480/2009 shall be transferred into the common provisioning fund for the purpose of provisioning its respective operations under the same single guarantee provided for in paragraph 4 of this Article.</p>	<p><i>[Justification: EUR 60 000 000 000 seems an extremely high amount, the proposal does not clarify how much funding out of the 68,000 billion euros would be channelled through the EFSD+ as opposed to other funding modalities. it would also be fundamental to clarify the maximum amounts respectively earmarked for guarantees and for blending.]</i></p> <p>6. The EFSD+ and the External Action Guarantee may support financing and investment operations in Low Income Countries and Middle Income Countries partner countries in the geographical areas referred to in Article 4(2). (or alternative wording could be: in partner countries in the geographical areas referred to in Article 4(2) that are listed in the OECD DAC list of ODA recipients).</p> <p>The provisioning of the External Action Guarantee shall be financed from the budget of the relevant geographic programmes established by Article 6(2)(a) and shall be transferred into the common provisioning fund. The EFSD+ and the External Action Guarantee may also support operations in beneficiary countries listed in Annex I of Regulation IPA III. The funding for these operations under the EFSD+ and for the provisioning of the External Action Guarantee shall be financed from the Regulation IPA. The provisioning of the External Action Guarantee for loans to third countries referred to in Article 10 (2) of Regulation EINS shall be financed from Regulation EINS.</p>
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<p>Article 27 Eligibility and selection of operations and counterparts</p>	<p>1. The financing and investment operations eligible for support through the External Action Guarantee shall be consistent and aligned with Union policies, as well as with the partner countries' strategies and policies. They shall in particular support the objectives, general principles and policy framework of this Regulation and the relevant indicative programming documents, with due regard to the priority areas laid down in Annex V.</p> <p>2. The External Action Guarantee shall support financing and investment operations compliant with the conditions set out in points (a) to (c) of Article 209(2) of the Financial Regulation and that:</p> <ul style="list-style-type: none"> (a) ensure complementarity with other initiatives; (b) are economically and financially viable, with due regard to the possible support from, and co-financing by, private and public partners to the project, while taking into account the specific operating environment and capacities of countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries which may benefit from concessional terms; (c) are technically viable and are sustainable from an environmental and social point of view. <p>3. The External Action Guarantee shall be used to cover the risks for the following instruments:</p> <ul style="list-style-type: none"> (a) loans, including local currency loans and macro-financial assistance loans; (b) guarantees; (c) counter-guarantees; (d) capital market instruments; (e) any other form of funding or credit enhancement, insurance, and equity or quasi-equity participations. <p>4. The eligible counterparts for the purposes of the External Action Guarantee shall be the ones identified in Article 208(4) of the Financial Regulation, including those from third countries contributing</p>	<p>1. The financing and investment operations eligible for support through the External Action Guarantee shall be consistent and aligned with Union policies, as well as with the partner countries' strategies and policies. They shall in particular support the objectives, general principles and policy framework of this Regulation and the relevant indicative programming documents, with due regard to the priority areas laid down in Annex V.</p> <p>2. The External Action Guarantee shall support financing and investment operations compliant with the conditions set out in points (a) to (c) of Article 209(2) of the Financial Regulation and that:</p> <ul style="list-style-type: none"> (a) are designed so as to fulfil the criteria for ODA established by the OECD-DAC [comes from EFSD 2017, para. 11] (b) are technically viable and sustainable from an economic, social and environmental point of view [from 2017 EFSD Regulation, Art 9.2 e)] (c) are technically viable and are sustainable from an environmental and social point of view. (c) respect the development effectiveness principles as set out in the Busan Partnership for Effective Development Cooperation and reaffirmed in Nairobi in 2016, including ownership, alignment, focus on results, transparency and mutual accountability, as well as the objective of untying aid [from 2017 EFSD Regulation, Art 9.2 g)] (d) provide financial and development additionality (e) are implemented with full respect for internationally agreed guidelines, principles and conventions, including the Principles for Responsible Investment, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the OECD Guidelines on Due Diligence, the UN Food and Agriculture Organization's Principles for Responsible Investment in Agriculture and Food Systems, the UN Voluntary
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<p>to the External Action Guarantee, subject to approval by the Commission in accordance with Article 28 of this Regulation. In addition, and by derogation to Article 62(2)(c) of the Financial Regulation, bodies governed by the private law of a Member State or a third country which has contributed to the External Action Guarantee in accordance with Article 28, and which provide adequate assurance of their financial capacity shall be eligible for the purpose of the Guarantee.</p> <p>5. Eligible counterparts shall comply with the rules and conditions provided for in Article 62(2)(c) of the Financial Regulation. In the case of bodies governed by the private law of a Member State or a third country which have contributed to the External Action Guarantee in accordance with Article 28 of this Regulation, preference shall be given to those bodies that disclose information related to environment, social and corporate governance criteria. The Commission shall ensure an effective, efficient and fair use of available resources among eligible counterparts, while promoting cooperation between them. The Commission shall ensure fair treatment for all eligible counterparts and shall ensure that conflicts of interest are avoided throughout the implementation period of the EFSD+. In order to ensure complementarity, the Commission may request any relevant information from eligible counterparts about their non-EFSD+ operations.</p> <p>6. The Commission shall select the eligible counterparts in accordance with Article 154 of the Financial Regulation, taking due account of:</p> <ul style="list-style-type: none"> (a) the advice of the strategic and regional operation boards, in accordance with Annex VI; (b) the objectives of the investment window; (c) the experience and risk management capacity of the eligible counterpart; (d) the amount of own resources, as well as private sector co- 	<p>Guidelines on the Responsible Governance of Tenure of Land and International Labour Organization conventions, as well as international human rights law. <i>[from 2017 EFSD Regulation, Art 9.2 i, except the rosy words that we believe should be added as they refer to standards fully endorsed by the EU and member states)]</i></p> <ul style="list-style-type: none"> (f) pay special attention to micro, small and medium enterprises led by women and to gender balance in employment as main vehicles to bridge the gender gap and promote inclusive economic development; (g) promote social protection in the beneficiary country through compliance with labour rights and decent work standards; (h) undergo a publicly available participatory ex ante human rights and environmental impact assessment identifying and addressing risks in those fields and taking due account of the principle of free and prior informed consent (FPIC) of affected communities in land related investments. (a) (i) ensure complementarity with other initiatives; (b) (j) are economically and financially viable, with due regard to the possible support from, and co-financing by, private and public partners to the project, while taking into account the specific operating environment and capacities of countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries which may benefit from concessional terms; (k) ensure alignment of interest by providing adequate risk sharing by the respective eligible counterpart and other prospective partners <p>(k) ensure alignment of interest by providing adequate risk sharing by the respective eligible counterparts and other prospective partners; <i>[from 2017 EFSD Regulation, Art 9.2 c)]</i></p>
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	<p>financing, that the eligible counterpart is ready to mobilise for the investment window.</p> <p>7. The Commission shall set up investment windows for regions, specific partner countries or both, for specific sectors, or for specific projects, specific categories of final beneficiaries or both, which are to be funded by this Regulation, to be covered by the External action Guarantee up to a fixed amount. The Commission shall inform the European Parliament and the Council on how the investment windows comply with this Article and their detailed funding priorities. All requests for financial support within investment windows shall be made to the Commission.</p> <p>The choice of investment windows shall be duly justified by an analysis of the market failure or sub-optimal investment situations. That analysis shall be carried out by the Commission in cooperation with potentially eligible counterparts and stakeholders.</p> <p>Eligible counterparts may provide the instruments referred to in paragraph 3 under an investment window or individual project administered by an eligible counterpart. The instruments may be provided for the benefit of partner countries, including countries experiencing fragility or conflict or countries facing challenges in reconstruction and post-conflict recovery, for the benefit of those partner countries' institutions, including their public national and private local banks and finance institutions, as well as for the benefit of private sector entities of those partner countries.</p> <p>8. The Commission shall assess the operations supported by the External Action Guarantee against the eligibility criteria set out in paragraphs 2 and 3, where possible drawing on the existing result measurement systems of eligible counterparts. The Commission shall publish the result of its assessment for each investment window on an annual basis.</p> <p>9. The Commission shall be empowered to adopt delegated acts in</p>	<p>2 b (new): The EFSD Guarantee shall not support financing and investment operations which,</p> <p>(a) are linked to the military or state security sector.</p> <p>(b) support the development of nuclear energy and fossil fuels and promote further carbon lock-in of economies and societies.</p> <p>(c) Have significant environmental external costs, such as those that involve degradation of protected areas, Critical Habitats and Heritage sites for which no sustainable development and management plan is carried out</p> <p>(d) result in violation of human rights in partner countries, such as depriving communities from their right to access and control natural resources such as land, contribute to forced displacement of populations, or involve forced labour or child labour.</p> <p><i>[this language comes from existing exclusion list: e.g. EIB http://www.eib.org/attachments/documents/excluded_activities_2013_en.pdf and AfD https://www.afd.fr/sites/afd/files/2018-02-11-56-19/Environmental-social-framework.pdf and KfW https://www.kfw.de/nachhaltigkeit/KfW-Group/Sustainability/Sustainable-Banking-Operations/Sustainable-Investment/KfWs-Sustainable-Investment-Approach/Exclusion-Criteria/]</i></p> <p>2c (new) A comprehensive exclusion list shall be developed and adopted, building on existing international best practice and in consultation with all relevant stakeholders including civil society, to ensure EFSD+ operations comply with strict environmental, social and governance principles in line with EU's international agreements and commitments</p> <p>2 c (new). The Commission shall establish and make public a scoreboard of indicators to be used for the selection of projects, to ensure an independent and transparent assessment of the potential and actual use of the EU guarantee in line with criteria listed in 27.2 and 27.2(b).</p>
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	<p>accordance with Article 34 to supplement or amend the priority areas in Annex V and the governance of the EFSD+ in Annex VI.</p>	<p>5. Eligible counterparts shall comply with the rules and conditions provided for in Article 62(2)(c) of the Financial Regulation. In the case of bodies governed by the private law of a Member State or a third country which have contributed to the External Action Guarantee in accordance with Article 28 of this Regulation, such preference shall be given to those bodies that will have to disclose information related to environment, social and corporate governance criteria.</p> <p>In their financing and investment operations, the eligible counterparts shall comply with applicable Union law and agreed international and Union standards and, therefore, shall not support projects under this Regulation that contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion, or promotion of fossil fuels. In addition, the eligible counterparts shall not enter into new or renewed operations with entities incorporated or established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions, or that are identified as high risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council (1), or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information. [from 2017 EFSD Regulation, art 22]</p> <p>The Commission shall ensure an effective, efficient and fair use of available resources among eligible counterparts, while promoting cooperation between them.</p> <p>The Commission shall ensure fair treatment for all eligible counterparts and shall ensure that conflicts of interest are avoided throughout the implementation period of the EFSD+. In order to ensure complementarity, the Commission may request any</p>
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		<p>relevant information from eligible counterparts about their non-EFSD+ operations.</p> <p>9. The Commission shall be empowered to adopt delegated acts in accordance with Article 34 to supplement or amend the priority areas in Annex V and the governance of the EFSD+ in Annex VI</p>
<p>Article 29 Implementatio n of External Action Guarantee agreements</p>	<p>1. The Commission, on behalf of the Union, shall conclude External Action Guarantee agreements with the eligible counterparts selected pursuant to Article 27. Agreements may be concluded with a consortium of two or more eligible counterparts.</p> <p>2. One or more External Action Guarantee agreements shall be concluded for each investment window between the Commission and the eligible counterpart or eligible counterparts selected. In addition, in order to address specific needs, the External Action Guarantee may be granted for individual financing or investment operations. All External Action Guarantee agreements shall, upon request, be made available to the European Parliament and to the Council, taking into account the protection of confidential and commercially sensitive information.</p> <p>3. External Action Guarantee agreements shall contain, in particular:</p> <ul style="list-style-type: none"> (a) detailed rules on the coverage, requirements, eligibility, eligible counterparts, and procedures; (b) detailed rules on the provision of the External Action Guarantee, including its arrangements on the coverage and its defined coverage of portfolios and of projects of specific types of instruments, as well as a risk analysis of projects and project portfolios, including at sectoral, regional and national levels; (c) a mention of the objectives and purpose of this Regulation, a needs assessment and an indication of the expected results, taking into account the promotion of corporate social responsibility and responsible business conduct; 	<p>2. (...) All External Action Guarantee agreements shall, upon request, be made available to the European Parliament and to the Council, taking into account the protection of confidential and commercially sensitive information. <i>[Explanation: While this far-reaching exception is already questionable as far as single projects are concerned, it is unacceptable as far as guarantee agreements are concerned. This is public development money and the guarantee agreements are de facto delegating the management of those funds from the EC to another entity. The conditions of that delegation need to be publicly available to taxpayers]</i></p> <p>3. External Action Guarantee agreements shall contain, in particular:</p> <ul style="list-style-type: none"> (a) detailed rules on the coverage, requirements, eligibility, eligible counterparts, and procedures; (b) detailed rules on the provision of the External Action Guarantee, including its arrangements on the coverage and its defined coverage of portfolios and of projects of specific types of instruments, as well as a risk analysis of projects and project portfolios (including the human rights and environmental risks), including at sectoral, regional and national levels; (c) a mention of the objectives and purpose of this Regulation, a needs assessment and an indication of the expected results, taking into account the promotion of corporate social responsibility and need to ensure a responsible business conduct;

<p>(d) the remuneration of the guarantee, which is to reflect the risk level, and the possibility for the remuneration to be partly subsidised in order to give concessional terms in duly justified cases;</p> <p>(e) requirements for the use of the External Action Guarantee, including payment conditions, such as specific time frames, interest to be paid on due amounts, expenses and recovery costs and possibly necessary liquidity arrangements;</p> <p>(f) claims procedures, including, but not limited to, triggering events and waiting periods, and procedures regarding the recovery of claims;</p> <p>(g) monitoring, reporting and evaluation obligations;</p> <p>(h) clear and accessible complaints procedures for third parties that could be affected by the implementation of projects supported by the External Action Guarantee.</p> <p>4. The eligible counterpart shall approve financing and investment operations following its own rules and procedures and in compliance with the terms of the External Action Guarantee agreement.</p> <p>5. The External Action Guarantee may cover:</p> <p>(a) for debt instruments, the principal and all interests and amounts due to the selected eligible counterpart, but not received by it in accordance with the terms of the financing operations after an event of default has occurred;</p> <p>(a) for equity investments, the amounts invested and their associated financing costs;</p> <p>(b) for other financing and investment operations referred to in Article 27(2), the amounts used and their associated funding costs;</p> <p>(c) all relevant expenses and recovery costs related to an event of default, unless deducted from recovery proceeds.</p> <p>6. For the purposes of the Commission’s accounting, its reporting of the risks covered by the External Action Guarantee and in line with Article 209(4) of the Financial Regulation, eligible counterparts with which a guarantee agreement has been concluded shall provide the Commission and the Court of Auditors annually with the financial</p>	<p>(d) the remuneration of the guarantee, which is to reflect the risk level, and the possibility for the remuneration to be partly subsidised in order to give concessional terms in duly justified cases;</p> <p>(e) requirements for the use of the External Action Guarantee, including payment conditions, such as specific time frames, interest to be paid on due amounts, expenses and recovery costs and possibly necessary liquidity arrangements;</p> <p>(f) claims procedures, including, but not limited to, triggering events and waiting periods, and procedures regarding the recovery of claims;</p> <p>(g) transparent monitoring, reporting and evaluation obligations;</p> <p>(h) clear and accessible complaints procedures for third parties that could be affected by the implementation of projects supported by the External Action Guarantee.</p> <p>In view of possible grievances of third parties in partner countries, including communities and individuals affected by projects supported by the EFSD+ Guarantee, the Commission and European Union delegations shall publish on their websites direct references to the complaints mechanisms of the relevant counterparts that have concluded agreements with the Commission. The Commission shall also provide the possibility of directly receiving complaints related to the treatment of grievances by eligible counterparts. The Commission shall take that information into account in view of future cooperation with those counterparts.</p> <p><i>[Justification: This wording comes from Art 19 of the 2017 EFSD Regulation]</i></p> <p>7. The eligible counterparts shall, upon request, provide the Commission with any additional information necessary to fulfil the</p>
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	<p>reports on financing and investment operations covered by this Regulation, audited by an independent external auditor, containing, inter alia, information on:</p> <p>(a) the risk assessment of financing and investment operations of the eligible counterparts, including information on Union liabilities measured in compliance with the accounting rules referred to in Article 80 of the Financial Regulation and IPSAS;</p> <p>(b) the outstanding financial obligation for the Union arising from the EFSD+ operations provided to the eligible counterparts and their financing and investment operations, broken down by individual operations.</p> <p>7. The eligible counterparts shall, upon request, provide the Commission with any additional information necessary to fulfil the Commission's obligations in relation to this Regulation.</p> <p>8. The Commission shall report on financial instruments, budgetary guarantees, financial assistance in accordance with Article 241 and 250 of the Financial Regulation. To this purpose, the eligible counterparts shall provide annually the information necessary to allow the Commission to comply with the reporting obligations.</p>	<p>Commission's obligations in relation to this Regulation, in particular with regard to the implementation of recommendations from the ex-ante human rights and environment impact assessment and other selection criteria listed in Article 27.2 and 3.</p> <p>8. The Commission shall submit an annual report to the European Parliament and to the Council on the financing and investment operations covered by the EFSD+ Guarantee, and the functioning of the EFSD+, its management and its effective contribution to its objectives. That report shall be made public and be accompanied by an opinion of the Court of Auditors. It shall include the following elements:</p> <p>(a) an assessment of the results contributing to the purpose and objectives of the EFSD as set out in Article 26(1);</p> <p>(b) an assessment of the financing and investment operations in operation and covered by the EFSD Guarantee at sector, country and regional levels and their compliance with this Regulation, including the risk measures and their impact on the financial and economic stability of the partners;</p> <p>(c) an assessment of the additionality and added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the EFSD Guarantee on an aggregated basis, including the impact on decent job creation, the eradication of poverty and the reduction of inequality, are addressed; that assessment shall include a gender analysis of the operations covered based on evidence and data broken down by gender, where possible;</p> <p>(d) an assessment of the compliance with the requirements concerning the use of the EFSD Guarantee and of the</p>
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		<p>achievement of key performance indicators established for each proposal submitted;</p> <p>(e) an assessment of the leverage effect achieved by the operations covered by the EFSD Guarantee;</p> <p>(f) the financial amount transferred to beneficiaries and an assessment of financing and investment operations by each eligible counterpart on an aggregated basis;</p> <p>(g) an assessment of the additionality and added value of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;</p> <p>(h) detailed information on calls on the EFSD Guarantee, losses, returns, amounts recovered and any other payments received, as well as overall risk exposure;</p> <p>(i) the financial reports on financing and investment operations of the eligible counterparts covered by this Regulation, audited by an independent external auditor;</p> <p>(j) an assessment of the synergies and complementarity between operations covered by the EFSD Guarantee and the second and third pillars of the EIP based on relevant existing reports, with particular regard to progress made on good governance, including in the fight against corruption and illicit financial flows, respect for human rights, the rule of law and gender-responsive policies, as well as the boosting of local entrepreneurship and local financial markets.</p> <p>(k) an assessment of the compliance of EFSD Guarantee operations with the internationally agreed development effectiveness principles;</p> <p>(l) an assessment of the remuneration of the guarantees and of the implementation of the provisions related to Excluded activities and non-cooperative jurisdictions.</p>
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		<i>[The wording from this proposed amendment is inspired from 2017 EFSD Regulation arts 16 & 17; Justification: The reporting and evaluation requirements in this proposed legislation are very weak compared to the existing EFSD Regulation where details on information to be provided in annual report are listed. We need reporting not just on financial additionality but also on development impact. Reporting and accountability provisions should be an integral part of the NDICI Regulation rather than relegated in an annex.]</i>
Article 30 Capital participation in a development bank	The envelope for geographic programmes, referred to in Article 6(2)(a), may be used to contribute to the capital endowment of European and other development finance institutions.	The envelope for geographic programmes, referred to in Article 6(2)(a), may be used to contribute to the capital endowment of European and other development finance institutions.
Chapter V Monitoring, reporting and evaluation		
Article 31 Monitoring and reporting	<p>1. Indicators to report on progress under this Regulation towards the achievement of the specific objectives set out in Article 3 are set in Annex VII, in line with the Sustainable Development Goals indicators. The values of the indicators on 1 January 2021 shall all also be submitted to the European Economic and Social Committee and to the Committee of the Regions.</p> <p>2. The Commission shall regularly monitor its actions and review progress made towards delivering expected results, covering outputs and outcomes.</p> <p>Progress with respect to expected results should be monitored on the basis of clear, transparent and, where appropriate, measurable indicators. Indicators shall be kept at a limited number to facilitate timely reporting.</p> <p>5. The annual report shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, the involvement of the relevant partners, and</p>	<p>2. (a) The Commission shall regularly monitor its actions and review progress made towards delivering expected results and targets established in Article 3.3 on human development and social inclusion, climate change and environment and gender equality and women’s and girls’ rights and empowerment, covering outputs and outcomes. Progress with respect to expected results should be monitored on the basis of clear, transparent and, where appropriate, measurable indicators. In line with the Sustainable Development Goals, Indicators shall be disaggregated by sex and age as a minimum. Indicators shall be kept at a limited number to facilitate timely reporting</p> <p>5. The annual report shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, the involvement of the relevant partners, and the implementation of budgetary commitments, and of</p>

<p>the implementation of budgetary commitments, and of payment appropriations broken down by country, region and cooperation sector. It shall assess the results of the Union funding using, as far as possible, specific and measurable indicators of its role in meeting the objectives of this Regulation. In the case of development cooperation, the report shall also assess, where possible and relevant, the adherence to development effectiveness principles, including for innovative financial instruments.</p> <p>6. The annual report prepared in 2021 shall contain consolidated information from annual reports concerning the period from 2014 to 2020 on all funding from the Regulations referred to in Article 40(2), including external assigned revenues and contributions to trust funds, and offering a breakdown of spending by country, use of financial instruments, commitments and payments. The report shall reflect the main lessons learnt and the follow-up to the recommendations of the external evaluative exercises carried out in previous years.</p> <p>7. An annual estimate of the overall spending related to climate action and biodiversity shall be made on the basis of the indicative programming documents adopted. The funding allocated under this Regulation shall be subject to an annual tracking system based on the methodology of the Organisation for Economic Cooperation and Development ('Rio markers'), without excluding the use of more precise methodologies where these are available, integrated into the existing methodology for performance management of Union programmes, to quantify the expenditure related to climate action and biodiversity at the level of the action plans and measures referred to in Article 19 and recorded within evaluations and the annual report.</p> <p>8. The Commission shall make available information on development co-operation through recognised international standards.</p> <p>9. To ensure effective assessment of progress of this Regulation towards the achievement of its objectives, the Commission shall be</p>	<p>payment appropriations broken down by country, region and cooperation sector. It shall assess the results of the Union funding using, as far as possible, specific and measurable indicators of its role in meeting the objectives of this Regulation. In the case of development cooperation, the report shall also assess, where possible and relevant, the adherence to aid and development effectiveness principles, including for innovative financial instruments. The report will include information on performance in respecting the targets established in Article 3.3 on human development and social inclusion, climate change and environment and gender equality and women's and girls' empowerment, including an annual estimate of the overall spending for these areas using relevant markers and indicators.</p> <p>6. The annual report prepared in 2021 shall contain consolidated information from annual reports concerning the period from 2014 to 2020 on all funding from the Regulations referred to in Article 40(2) 39 (2), including external assigned revenues and contributions to trust funds, and offering a breakdown of spending by country, use of financial instruments, commitments and payments. The report shall reflect the main lessons learnt and the follow-up to the recommendations of the external evaluative exercises carried out in previous years, and shall include an assessment of the level of staff capacity at the headquarters and EU delegations level for the delivery of all objectives covered in the Regulations referred to in Article 39 (2).</p>
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	<p>empowered to adopt delegated acts in accordance with Article 34 to amend Annex VII to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.</p>	
<p>Article 32 Evaluation</p>	<p>1. An interim evaluation of this Regulation shall be performed once there is sufficient information available about its implementation, but no later than four years after the start of the implementation of the instrument. Where appropriate evaluations shall make use of the good practise principles of the Development Assistance Committee of the Organisation for Economic Cooperation and Development, seeking to ascertain whether the objectives have been met and to formulate recommendations with a view to improving future actions.</p> <p>2. At the end of the implementation of the Regulation, but no later than four years after the end of the period specified in Article 1, a final evaluation of the Regulation shall be carried out by the Commission. This evaluation shall look at the Union contribution to the achievement of the objectives of this Regulation, taking into account indicators measuring the results delivered and any findings and conclusions concerning the impact of this Regulation. The final evaluation report shall also address efficiency, the added value, the scope for simplification, internal and external coherence, and the continued relevance of the objectives of this Regulation. The final evaluation report shall be undertaken for the specific purpose of improving the implementation of the Union funding. It shall inform decisions on the renewal, modification or suspension of the types of actions implemented under the Regulation. The final evaluation report shall also contain consolidated information from relevant annual reports on all funding governed by this Regulation, including external assigned revenues and contributions to trust funds offering a breakdown of spending by</p>	<p>1. An interim evaluation of this Regulation shall be performed once there is sufficient information available about its implementation, but no later than four years after the start of the implementation of the instrument, in order to inform future programming. A consultation with key stakeholders and beneficiaries, including CSOs will be organised; particular attention will be given to ensure that the most marginalised are represented. Where appropriate Evaluations shall make use of the good practise principles of the Development Assistance Committee of the Organisation for Economic Cooperation and Development, seeking to ascertain whether the objectives have been met, and to formulate recommendations with a view to improving future actions. The interim evaluation shall evaluate how the EU performed on targets established in Article 3.3 on human development and social inclusion, climate change and environment and gender equality and women’s and girls’ rights and empowerment.</p> <p>2. At the end of the implementation of the Regulation, but no later than four years eighteen months after the end of the period specified in Article 1, a final evaluation of the Regulation shall be carried out by the Commission. This evaluation shall look at the Union contribution to the achievement of the objectives of this Regulation, taking into account indicators measuring the results delivered and any findings and conclusions concerning the impact of this Regulation. The final evaluation report shall also address efficiency, the added value, the scope for simplification, internal</p>

	<p>beneficiary country, use of financial instruments, commitments and payments The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, to the Council and to the Member States through the relevant committee referred to in Article 35. Specific evaluations may be discussed in that committee at the request of Member States. The results shall feed into programme design and resource allocation. The Commission shall, to an appropriate extent, associate all relevant stakeholders in the evaluation process of the Union's funding provided under this Regulation, and may, where appropriate, seek to undertake joint evaluations with the Member States and development partners with close involvement of the partner countries.</p> <p>3. In line with the specific reporting provisions in the Financial Regulation, by 31 December 2025 and every three years thereafter, the Commission shall evaluate the use and the functioning of the External Action Guarantee. The Commission shall submit its evaluation report to the European Parliament and to the Council. That evaluation report shall be accompanied by an opinion of the Court of Auditors.</p>	<p>and external coherence, and the continued relevance of the objectives of this Regulation.The final evaluation shall evaluate how the EU performed on targets established in Article 3.3 on human development and social inclusion, climate change and environment and gender equality and women's and girls' empowerment. The final evaluation report shall be undertaken for the specific purpose of improving the implementation of the Union funding. It shall inform decisions on the renewal, modification or suspension of the types of actions implemented under the Regulation.</p> <p>(...)</p> <p>The Commission shall, to an appropriate extent, associate all relevant stakeholders and beneficiaries, including CSOs; particular attention will be given to ensure that the most marginalised are represented in the evaluation process of the Union's funding provided under this Regulation, and may, where appropriate, seek to undertake joint evaluations with the Member States and development partners with close involvement of the partner countries.</p>
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