

CSDP orientation course on
fragility, security and development
in the context of EU External Action

3 - 6 December 2012

External assistance instruments deployed
in situations of crisis and fragility

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Fragility & crisis management

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- I – External Assistance Financial Instruments**
- II – Programing cycle
- III – Implementation of External Aid
- IV – Mobilising our instruments flexibly in situation of crisis/ fragility



Instruments - geographic (**DEVCO**)

Pre-accession: **IPA**, Instrument for Pre-accession Assistance
Greenland Instrument

Industrialised c.: **ICI**, Instrument for industrialised and high-income countries

Neighbourhood: **ENPI**, European Neighbourhood and Partnership Instrument

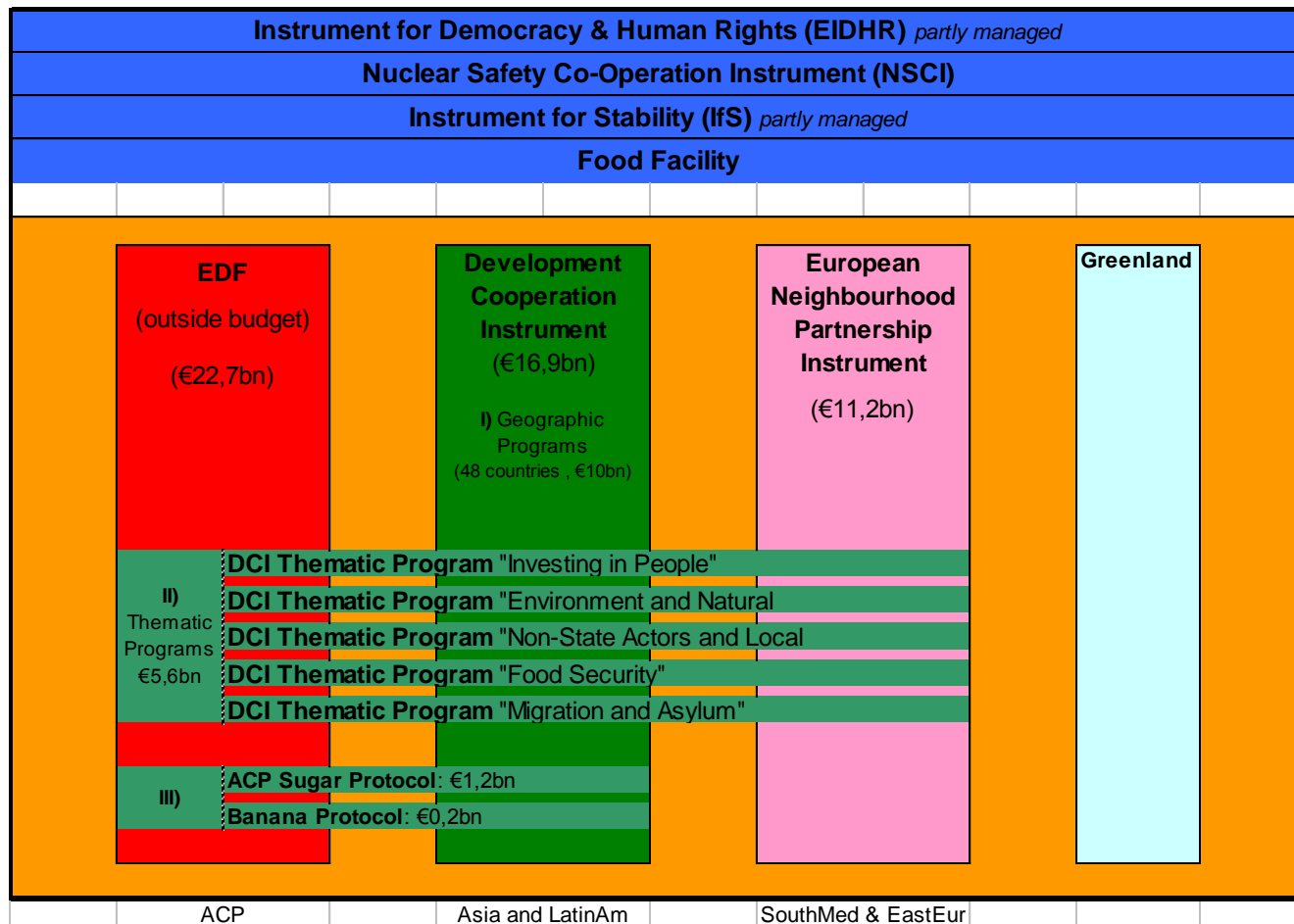
Development: **DCI**, Development Co-operation Instrument (*Geographic programmes*)

Asia/Gulf - Latin America - Rep. South Africa

EDF, European Development Fund

For ACP countries (excl. RSA)

Current instruments - DEVCO

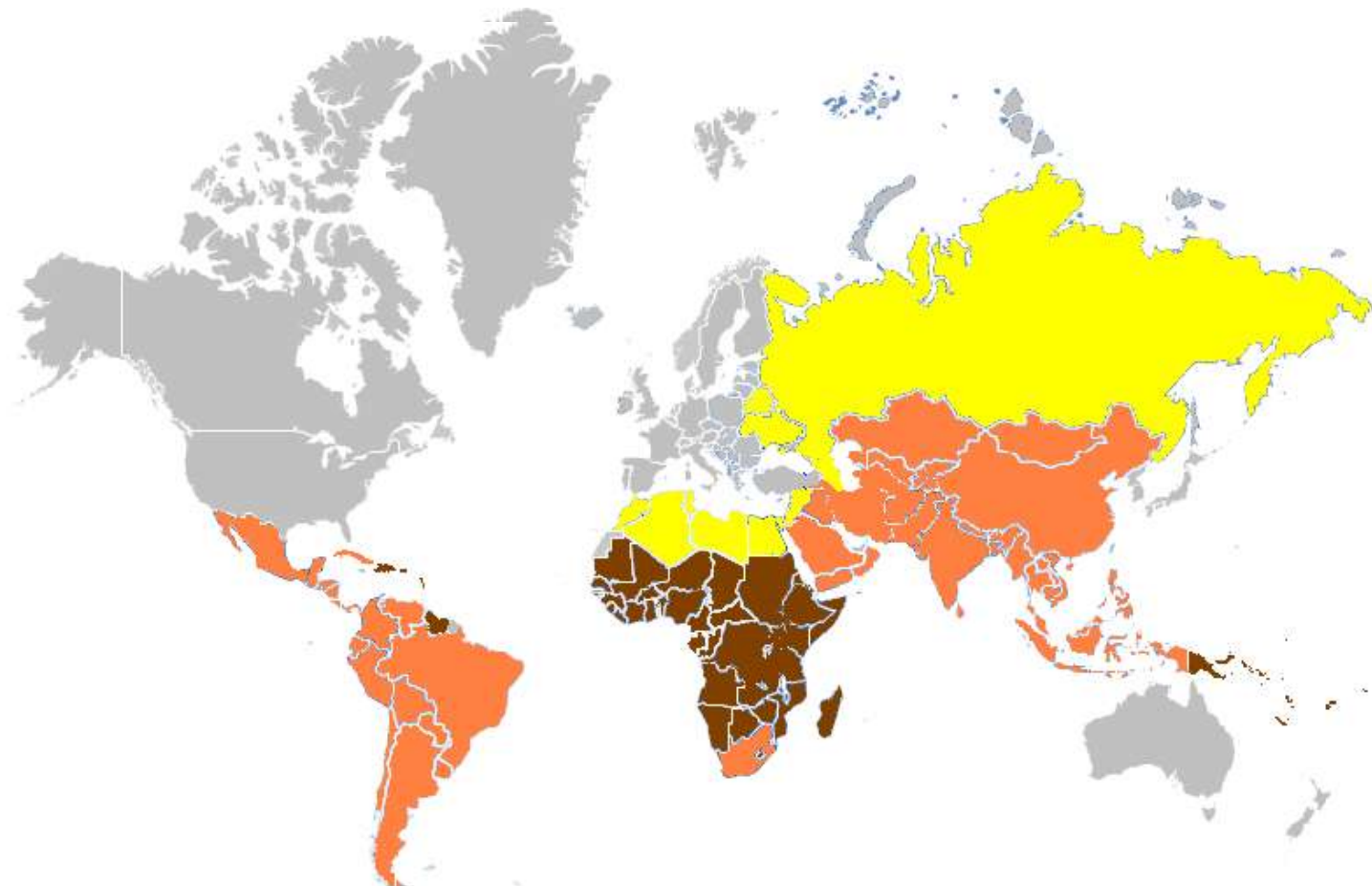




Instruments - Geographic

Funding Instrument	Geographical zone	countries covered	Average annual funding	Total funding available for 2007-2013
European Neighbourhood and Partnership Instrument (ENPI)	Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Russia, Syria, Tunisia and Ukraine	17	€1.6 billion	€ 11,181 billion
European Development Fund (EDF)	African, Caribbean and Pacific (ACP) countries and the overseas territories of EU Member States	79	€3.7 billion	€ 22.7 billion
Development Co-operation Instrument (DCI)	Latin America, Asia and Central Asia, and the Gulf region and South Africa.	47	€ 1.4 billion	€ 10,057 billion

Geographical Coverage



- Neighbourhood and Partnership Instrument**
- Development Cooperation Instrument**
- European Development Fund**



European Neighbourhood and Partnership Instrument



EDF - Africa

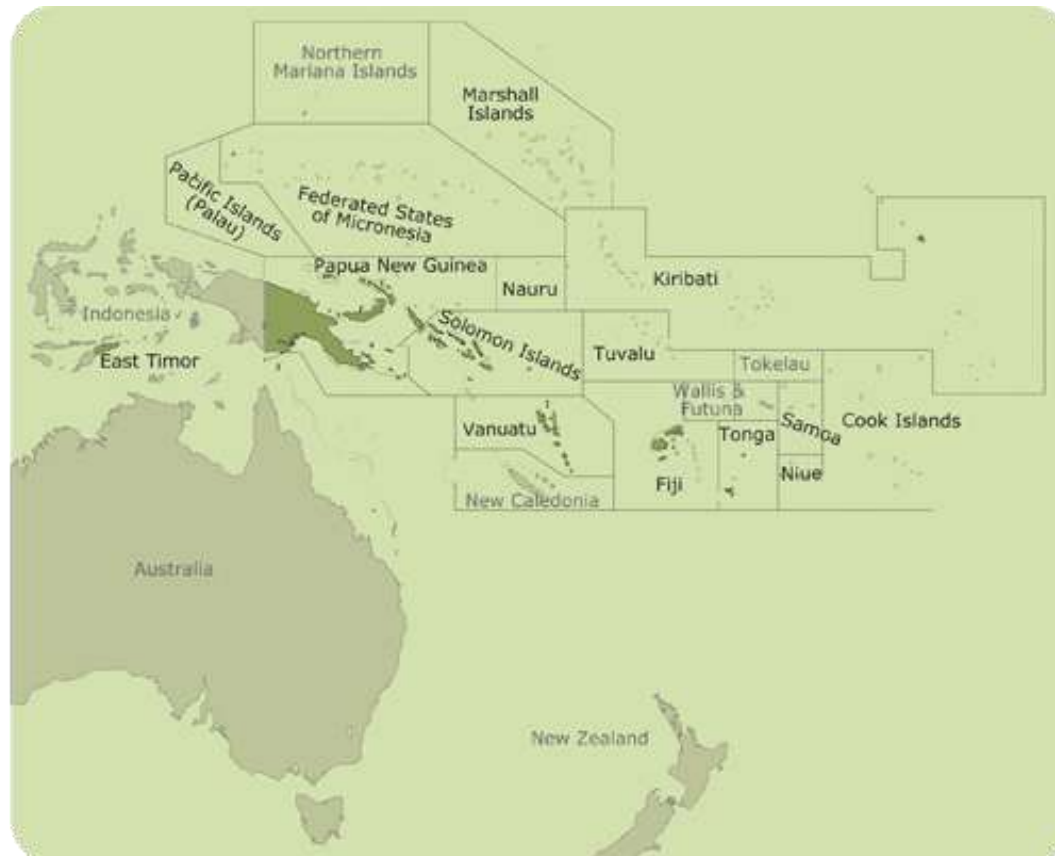


NB: Less South Africa

EDF - Caribbean



EDF - Pacific

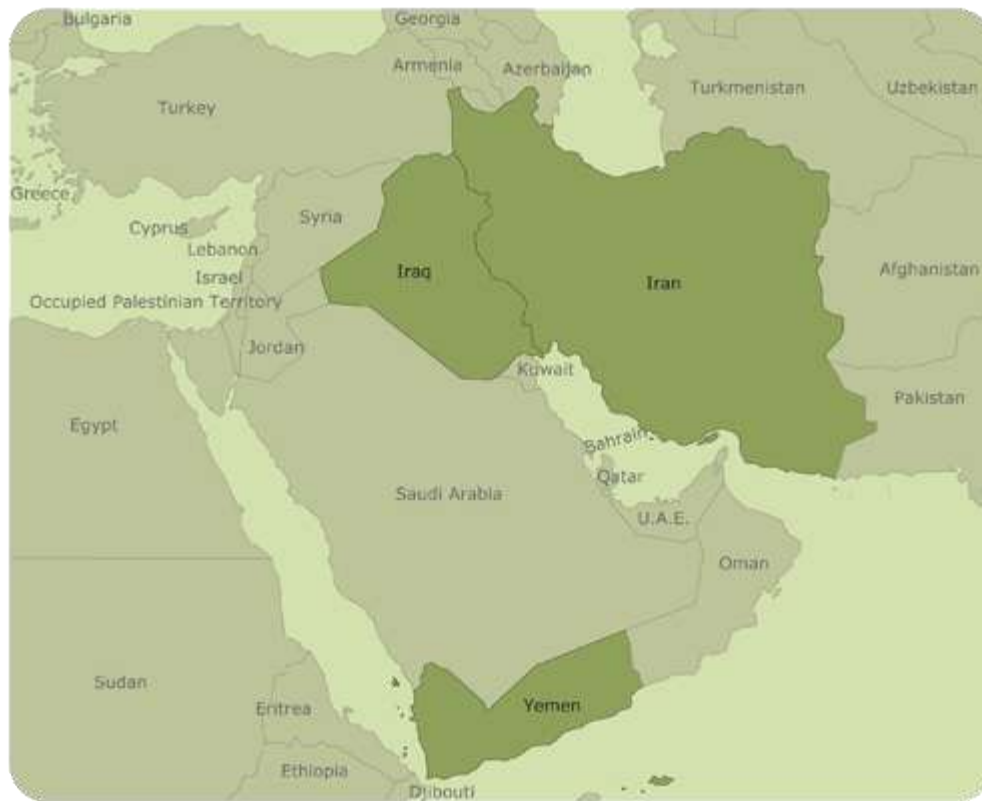


DCI -Geographic programmes - Asia & Central Asia



NB: Less Timor Leste

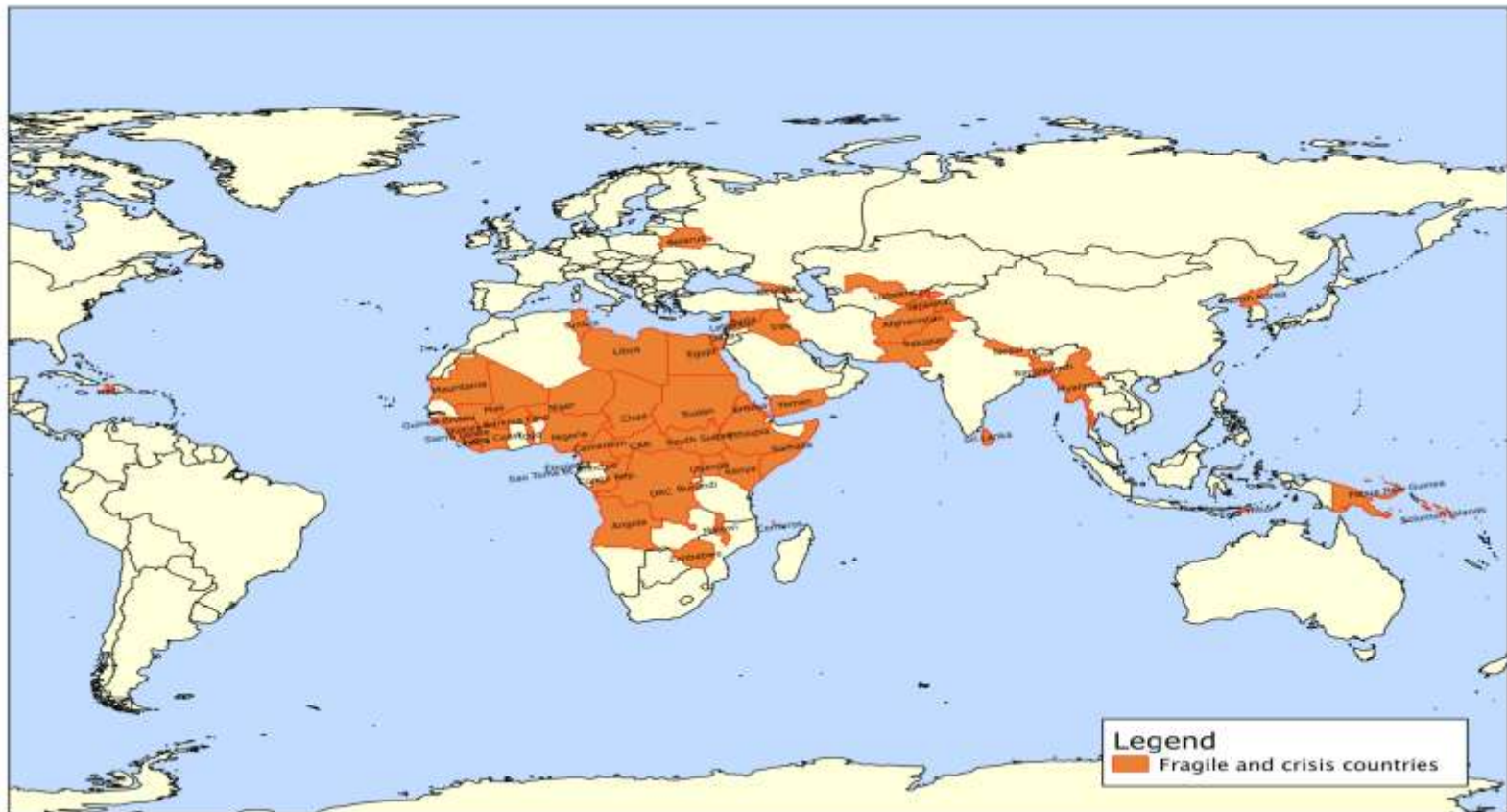
DCI -Geographic programmes - Gulf region



DCI -Geographic programmes - Latin America



Fragile states





Instruments - Thematic

Human Rights: **EIDHR**, European Instrument for the promotion of Democracy and Human Rights

Nuclear Safety: **NSCI**, Nuclear Safety Co-operation Instrument

Stability: **IFS**, Instrument for Stability (programmable part -> DEVCO)

[Food facility]

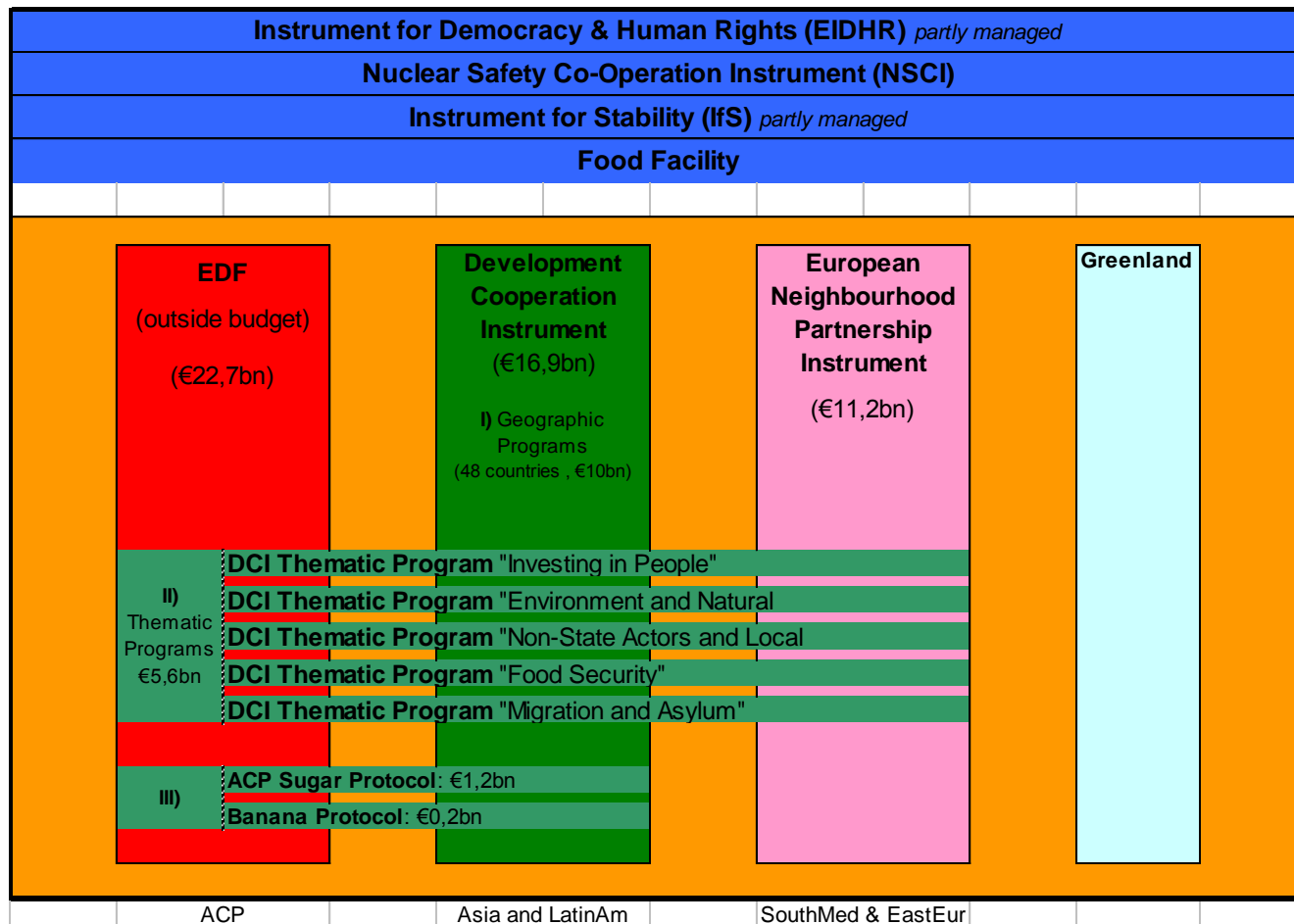
General: **DCI** Thematic programmes

- Investing in people
- Environment
- Non State Actors / Local Authorities
- Food security
- Migration / asylum

[- Sugar]

[Bananas]

Current instruments - DEVCO





MFF 2014-2020 Heading IV – External Relations

Comprehensive package : total **96.251 M€** (incl. EDF) 7.12.2011

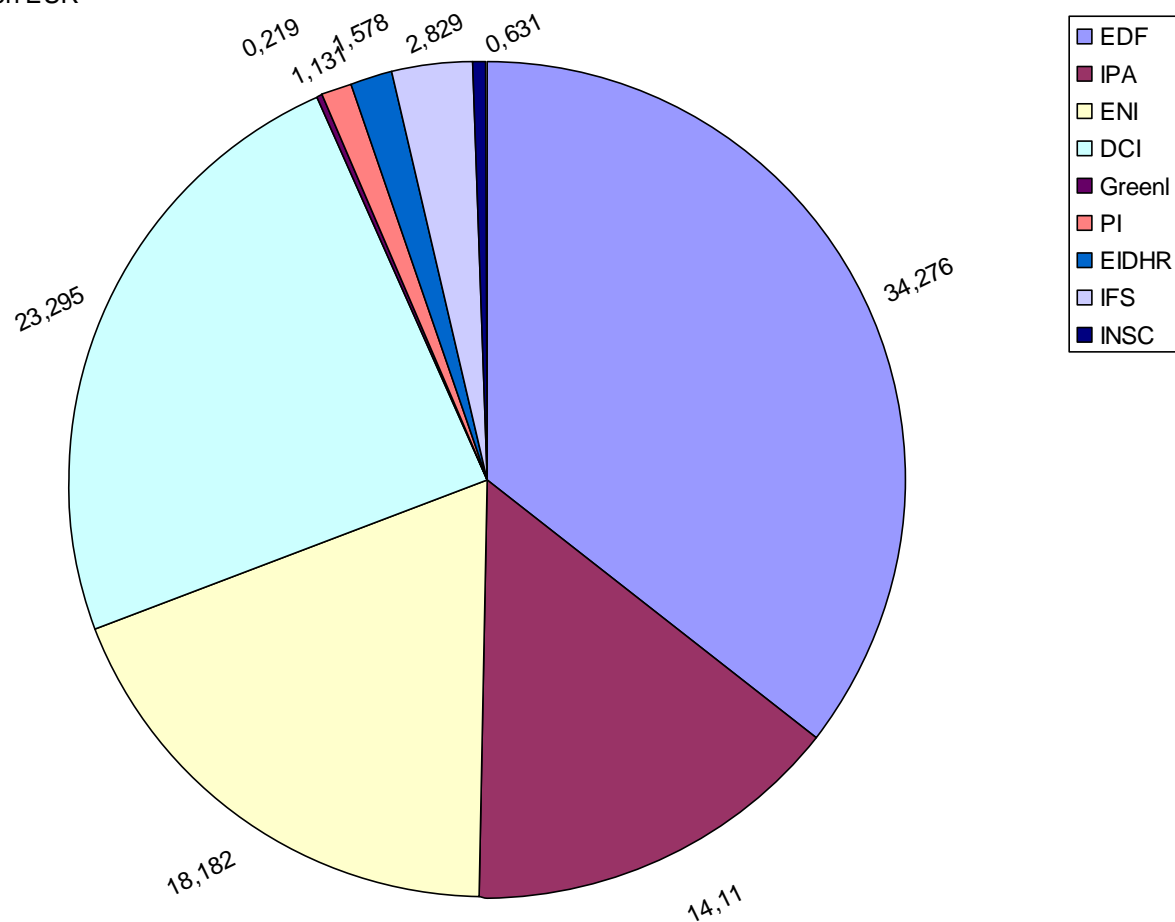
Furthering reforms MFF 2007-13 (streamlining/reducing No)

Opportunities of Lisbon Treaty (EEAS, decision procedures)

Communications: 7.12.2011

- Global Europe
- EDF11 (draft internal agreement),
- proposals for regulations of 8 financing instruments, and
- a Common Implementing Regulation (all but Greenland & EDF)
 - => harmonisation /simplification
 - => flexibility (ex-post comitology)

Budget & EDF 2014-2020
Billion EUR





DCI Proposal 2014-2020

Differentiation (no upper MIC except Cuba & RSA; all OK regional)

Simplification of thematic programmes

Provisions for fragility/crisis

- Art 12- prg in F/C situations -> **themes** (vulnerability, conflict/reconcil; LRRD, disaster, etc.) & **procedures (unalloc)**
- Art 14(3) – modific. prg grounds of urgency (expost comitology).

IfS Proposal 2014-2020

Three objectives

- (emerging) crises, swift contribution to stability $\geq 65\%$
- prevention conflict, preparedness, peace-building
- global and trans-regional threats (incl. CC)

Subsidiarity, not country specific, catalytic, not bound to ODA



EDF 11 Proposal 2014-2020

- NB1: importance of security –fragility – development nexus in 2nd revision of Cotonou.
- [NB2: Peace facility in envelope intra-ACP EDF10]
- Alignment of timeframe, contribution keys on budget; harmonisation of IR=> pave way for possible budgetisation beyond 2020
- Fragility/crises: Regional B-envelopes, shock absorbing measures, Art 72-73 revised for faster interventions/LRRD; includes fragility; grounds for ad hoc reviews extended.
- Internal agreement; Implementing Regulation, Financial Protocol; Entry into force when revised Cotonou is ratified by 2/3 ACP & all EU MS => bridging?
- 34,7 bln of which 32,2 for geo envelopes (27,6 nat/reg; 4,0 intra) & 2,5 interest subsidies for Investment Facility



MFF 2014-2020

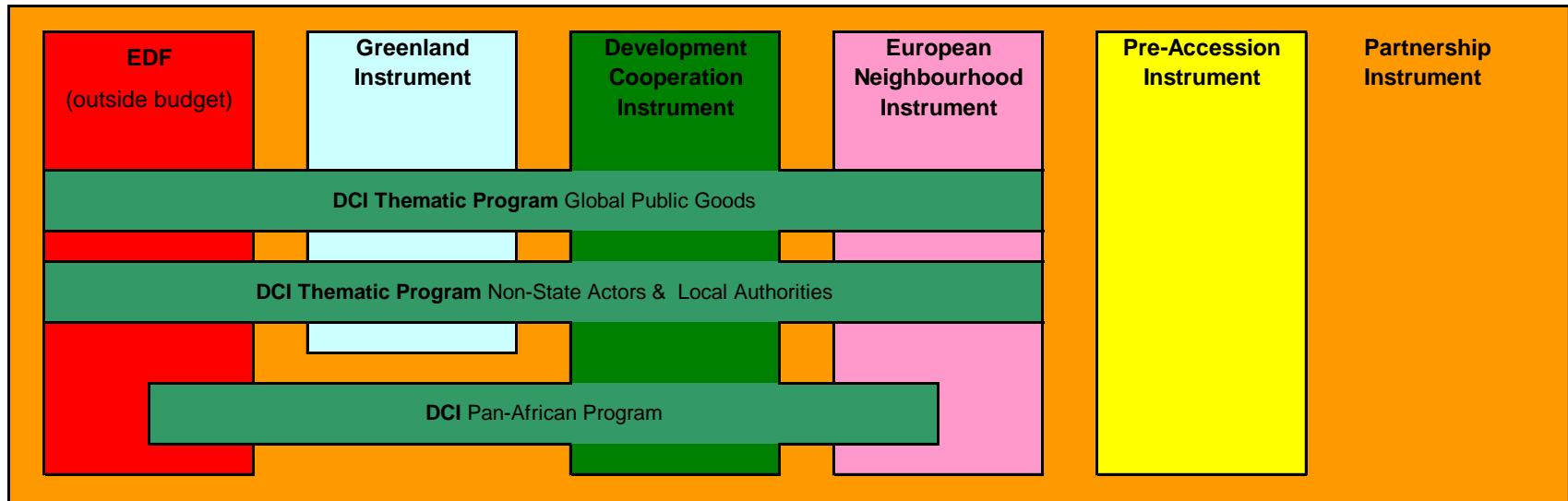
Heading IV Instruments

Package adopted on 7 / 12 / 2011 (€ 96,2 bn in current price - 85%)

Instrument for Democracy & Human Rights

Instrument for Stability

Instrument for Nuclear Safety

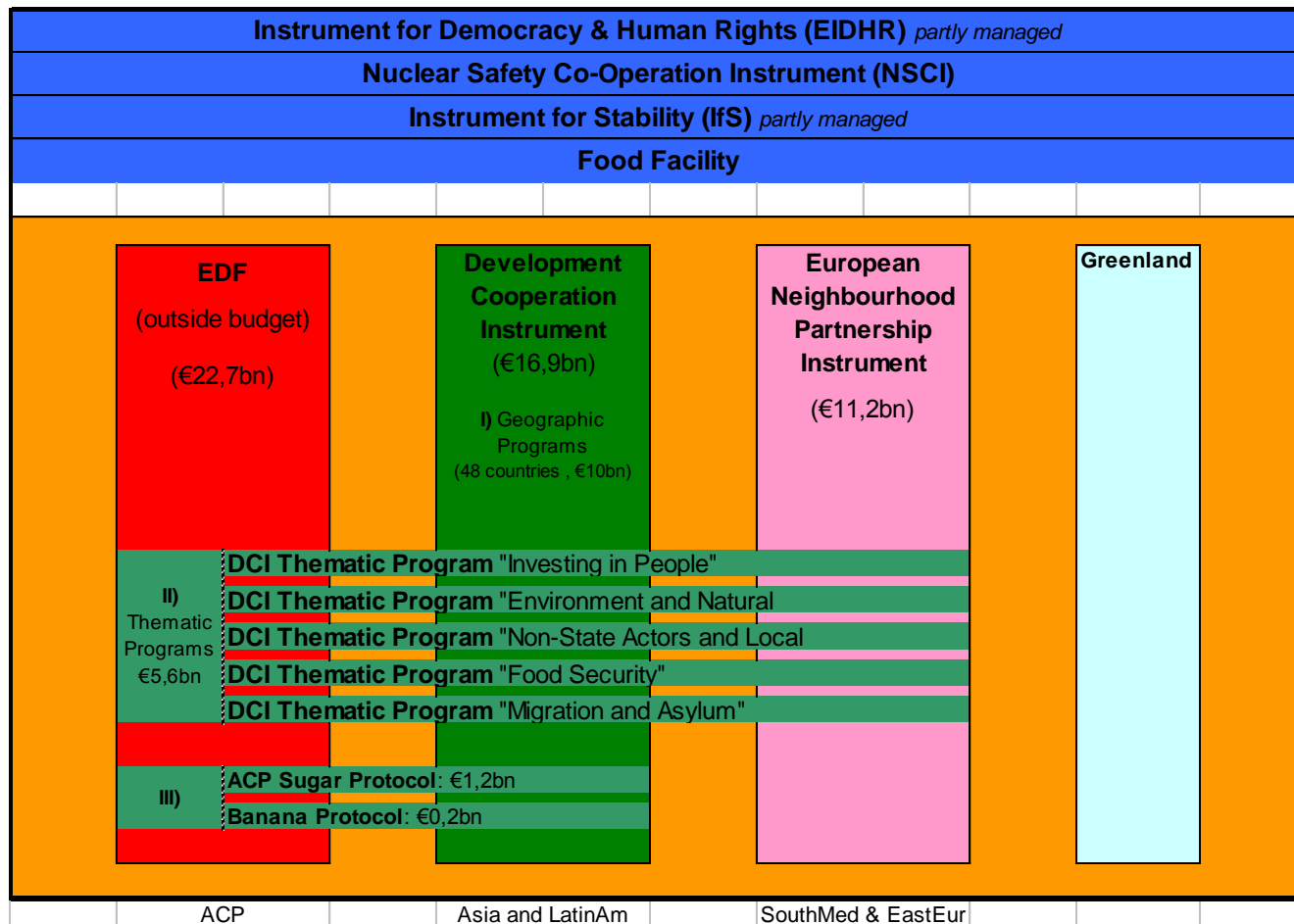


Common Implementing Regulation

Other instruments NOT in the package 7 / 12 / 2011 (€ 17,2 bn in current price - 15 %)

HUMA, CFSP, MACRO, EVHAC, CPFI, GUARANTEE FUND, AGENCIES, MARGIN

Current instruments - DEVCO





Commission:

EuropeAid Development and Cooperation DG responsible for designing development policy and delivering development aid throughout the world

EEAS:

European External Action Service is aimed at making the EU's external action more coherent and efficient, thereby increasing the EU's influence in the world

Management:

Programmable instruments (components of) - EuropeAid

Non Programmable instruments (components of) ECHO & EEAS/FPI

EuropeAid organisation chart

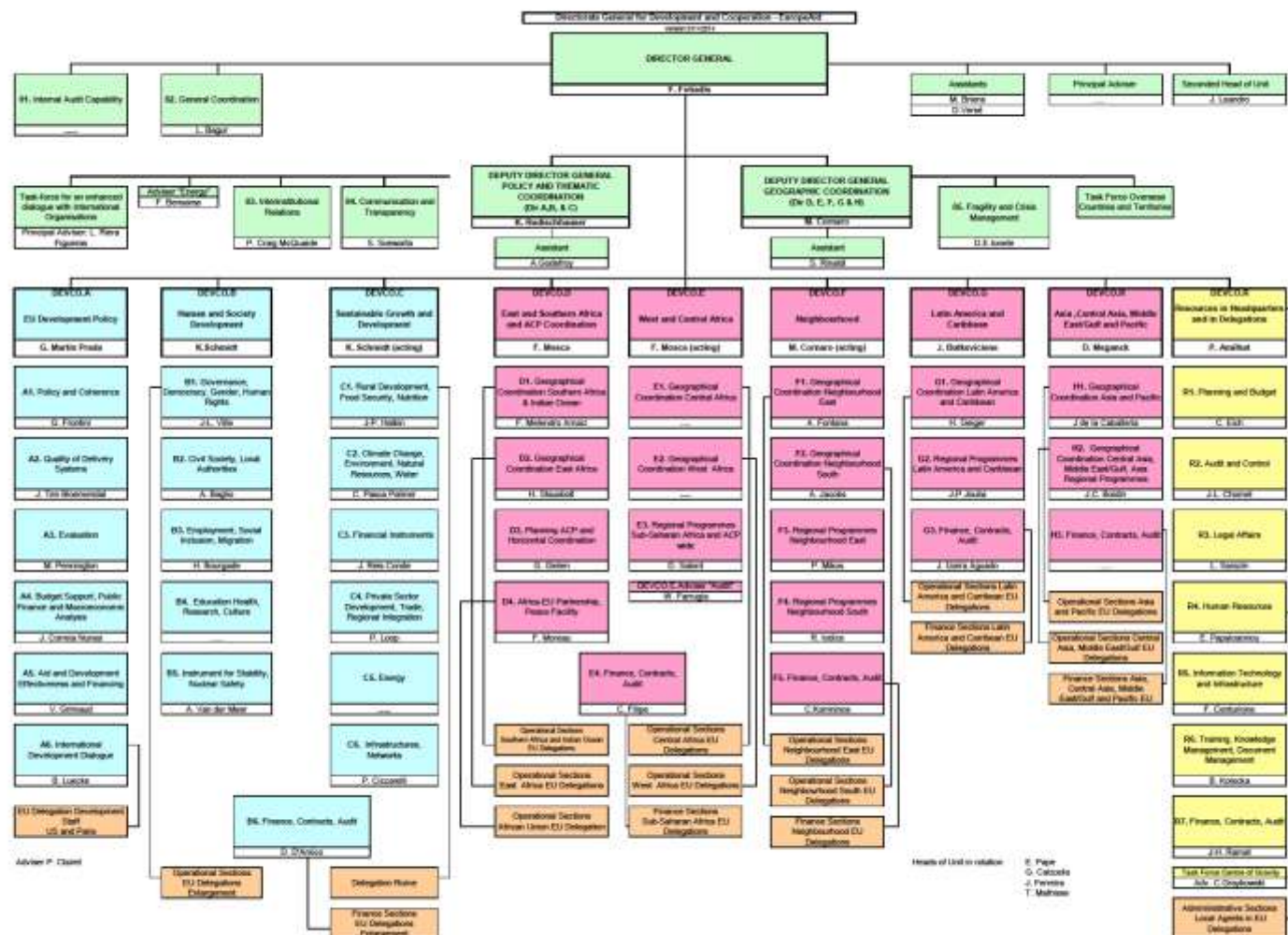




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Division of responsibilities within the project cycle

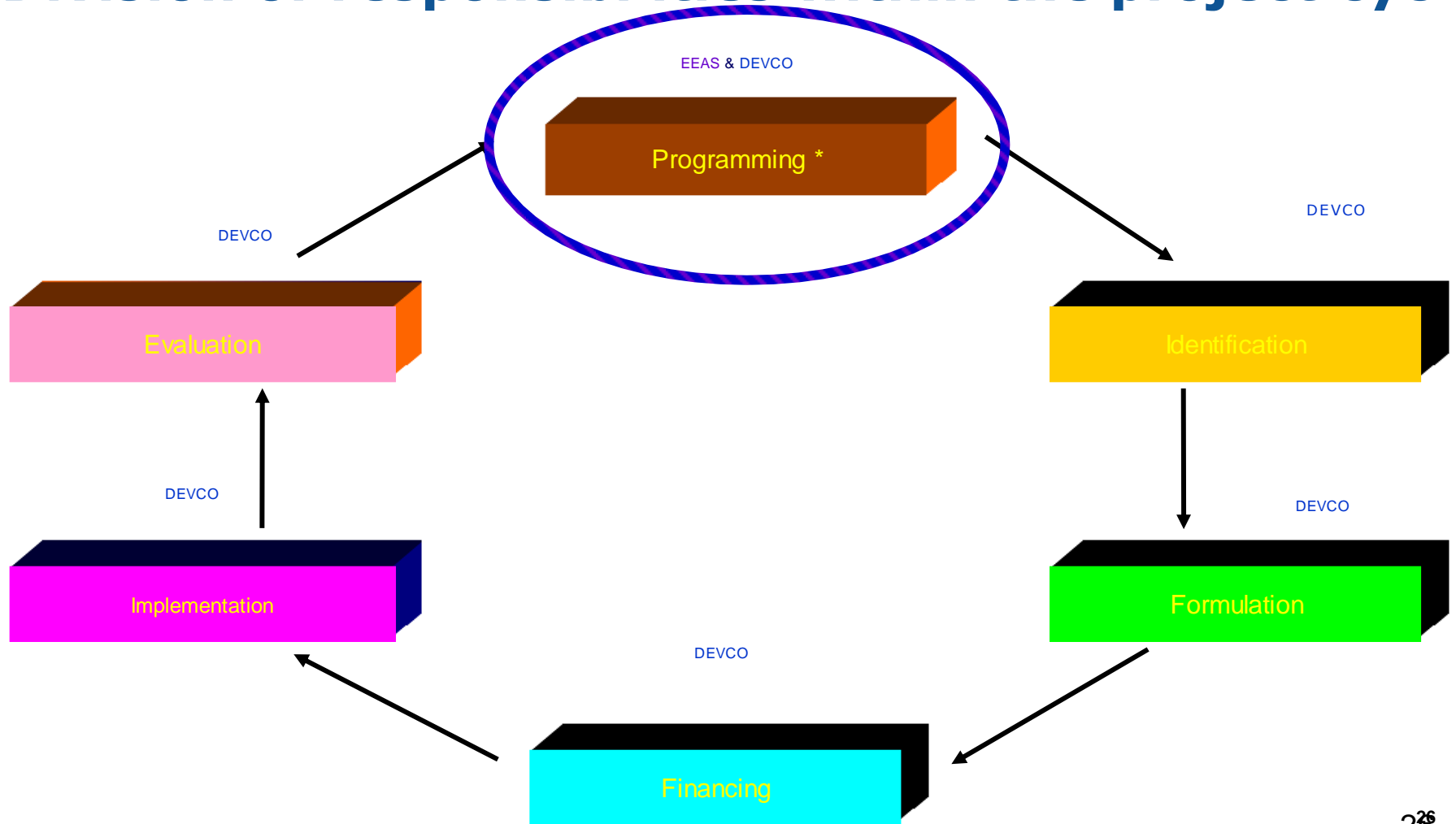
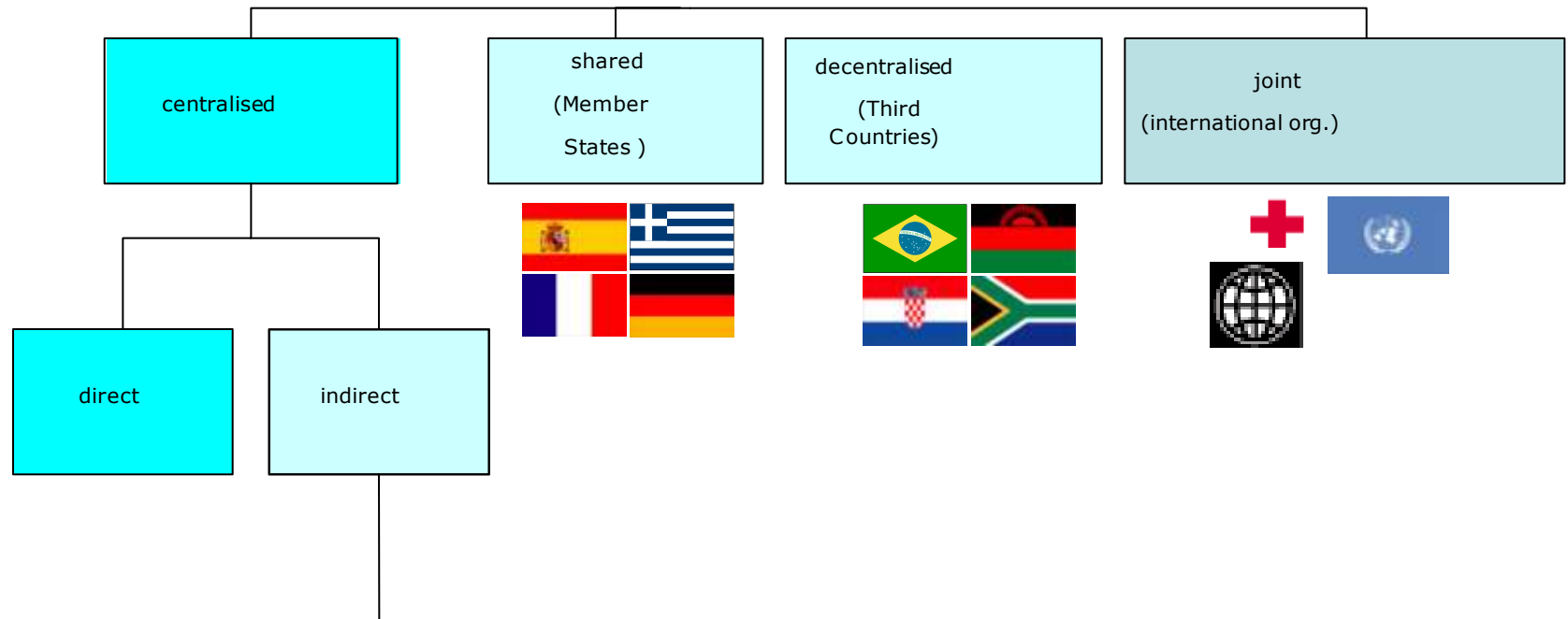


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Who manages EU funds = Contracting Authority?



Aid Modalities

- **Budget support:** Transfer of EU funds to the national national budget of the partner country:
 - *Sectoral or General*
- **Project Approach:** supports the resolution of specific problems financing is channelled through donor procedures or country procedures. Two main modalities:
 - *Procurement (services, supplies, works)*
 - *Grants*

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What do we mean by “crisis”?

Different terminology under EU law applicable to General Budget:

- « *Crisis situation* » in **Article 168*** of the *Implementing Rules of the EU Financial Regulation*
- *Article 3 of Instrument for Stability* refers to “*crisis and emerging crisis*”

But same concept: impossibility or great difficulty to implement normally co-operation & development policies due to extraordinary circumstances destabilising a country/region.

It may also cover countries with long term structural instability (or « fragility »).

*** +/- Equiv. in Art 72 & 73 of Cotonou**

What do we mean by “crisis”?

Qualification of crisis **is not focused on its causes**: man-made disasters (armed conflict, revolution...) or natural disasters (flood, drought, tsunami, earthquake...).

Crisis defines itself by **its serious impact** (or obvious threat) on:

- Peace and international security;
- Democracy, human rights and fundamental freedoms;

Crisis has **no limited duration** (as long as normal cooperation & development policies cannot resume normally).

Can be **sub-national**

What do we mean by “crisis”?

Situations posing a threat to law and order, the security and safety of individuals, threatening to escalate into armed conflict or to destabilise the country, and which could seriously harm:

- i) the safeguarding of the common values, fundamental interests, independence and integrity of the European Union;
- ii) the security of the European Union, peace-keeping and international security, promotion of international cooperation or development and strengthening of democracy, the rule of law, respect for human rights and fundamental freedoms.

(Article 168(2) IR)

It is therefore subject to **appreciation**



Possible actions

Suspension (full or partial) ***of EU assistance*** –
ENPI, DCI, Cotonou

Launching new measures: *Special
programmes,*

Special measures, Ad-hoc decisions

Using flexibility *built-in specific financing
decisions/AAP*

Using flexible procedures

Adhoc Review of strategy papers

Adapting on-going operations (AAP/financing decisions)

Flexibility at implementation level

Decision to replace the Contracting Authority

Lighter decision-making process in future (e.g. ex post comitology)

Practical Guide on Contractual Procedures (PRAG)



- **Single document** containing the legal framework for procurement and grants + templates
- Applicable to **EDF and BUDG** instruments
- **Annex a11a on Crisis Situation:** describe how a crisis situation may be declared and the applicable flexible procedures

http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm



Using flexible procedures

- The implementation of EU aid in countries or regions in “crisis” (currently 35 (sub-)nations) requires **flexible, rapid aid delivery mechanisms**.
- The **EU Financial Regulation** allows the use of flexible contractual procedures deviating from the “standard” procedures, mainly the **use of negotiated procedures & direct award of grants** (also possibility derogation rule of nationality/origin).
- The main challenge: Striking a **balance** between
 - the need to **deliver rapidly and efficiently** in extraordinary difficult circumstances and
 - where possible, the respect of **basic contractual & procedural principles**



Using efficiently EU guidance

Programming guidelines

Budget support-fragile states guidance

Flexible procedures in situation of crisis

*Up coming guidance on conflict
analysis/mainstreaming*

Up coming LRRD operational guidance

Challenges (1) - Integrated response

Linking:

- > development cooperation*
- > humanitarian relief –> LRRD approach*
- > conflict prevention*
- > peace and state building*

Challenges (2) - Security- development nexus

- 1) Better coordination between development actors and crisis management missions (CSDP civil/military)*
- 2) Making security interventions/agendas more development sensitive*
- 3) Making development more security sensitive (SSR, DDR, Rule of law, etc.)*
- 4) Focus on State-building as a central objective*

Challenges (3) – Measure & Communicate

Measure

Fragility: accepted?, shared definition?, concrete?

Indicators of achievement: level, context specific

How to measure what has been prevented?

Supra-national dimension of fragility/conflicts

Communicate

Thanks!

