1. Thematic instruments

1.1. Instrument for Nuclear Safety Cooperation (INSC)

The Instrument for Nuclear Safety Cooperation (INSC) was established following Council Regulation (Euratom) no 300/2007 of 19 February 2007,[1] replacing and widening the TACIS Nuclear Safety Programme,[2] which had been established to help prevent nuclear incidents in the former USSR satellite states.

The INSC aims to fund actions from a broad range of stakeholders and cover the promotion and development of an effective regulatory framework for nuclear safety (including materials and radiation protection). It also allows for the provision of technical support to nuclear stakeholders in 15 countries (at national, local or regional level with private companies, NGOs, the Joint Research Centre (JRC), EU agencies and international organisations).

Adopted following the ordinary legislation procedure[3] and based on the multiannual strategy programme,[4] €524 million have been allocated to the INSC for the 2007-2013 period. The Instrument is implemented through annual action programmes. A margin of manoeuvre is preserved as it is possible to engage in emergency or support measures without clear prior indications in the multiannual strategy paper. For example, a nuclear incident requires urgent safety measures and cannot be planned explicitly into a multiannual strategic programme.

On 25 January 2013, a new cooperation mechanism[5] was established between the EU and the International Atomic Energy Agency (IAEA).[6] Once adopted, the new multiannual financial framework should have a budget of €560 million for the period 2014-

1. See: Council Regulation n°300/2007 of 19 February 2007 establishing an Instrument for Nuclear Safety Cooperation: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:081:0001:0010:EN:PDF.

2. See: http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17003_en.htm.

3. Previously known as 'co-decision procedure', the ordinary procedure is the main legislative procedure of the EU decision-making process; it gives the same political weight to the European Parliament, the European Commission and the Council of the European Union. See: http://www.europarl.europa.eu/aboutparliament/en/0080a6d3d8/Ordinary-legislative-procedure.html.

4. See: Commission decision on the revised strategy for Community Cooperation Programmes in the field of Nuclear Safety for the period 2010-2013, C(2009) 9822: http://www.eeas.europa.eu/nuclear_safety/docs/2010_2013_revised_strategy_en.pdf.

5. See: http://ec.europa.eu/energy/international/organisations/iaea_en.htm.

6. See: http://www.iaea.org/newscenter/pressreleases/2013/eucontribution.pdf.

2020, which would represent a rise of 6.8 percent compared to the previous multiannual financial framework.

1.2. European Instrument for Democracy and Human Rights (EIDHR)

Adopted following Council Regulation (EC) no. 1889/2006 and funded through the EU's Multiannual Financial Framework (MFF), the European Instrument for Democracy and Human Rights (EIDHR) has a budget of €1.104 billion for the period 2007-2013.

EIDHR's operational range is wide, as it is also open to various organisations and non-legal entities and can even be implemented without the agreement of the government of a third country. It acts as a complementary tool of the Instrument for Stability (IfS) and indirectly finances the Development Co-operation Instrument (DCI) and the European Neighbourhood & Partnership Instrument (ENPI). Supporting a diversity of stakeholders (from civil society to UN bodies, and from international organisations to EU election observation missions), its governance is adapted to its objectives: to support and strengthen the international and regional framework for promoting and supporting human rights by strengthening civil societies and not necessarily working at the governmental/national level.

On 25 June 2012, the EU adopted its Strategic Framework on Human Rights and Democracy which sets out principles to integrate the human rights dimension in all EU external policies: from development cooperation to CSDP and the area of freedom, security and justice.[7] In addition, Mr. Stavros Lambrinidis, the first thematic EU Special Representative, took office on 1 September 2012 in order to enhance the effectiveness and visibility of EU human rights policy.[8] With a very flexible mandate, the EUSR will be able to contribute to the implementation of the Union's human rights policy, including by providing recommendations and inputs to the formulation of relevant EU policies. He will also regularly meet all the human rights stakeholders: from academia and civil society to government representatives and international organisations, as well as EU heads of missions and other EUSRs.

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7. See: http://europa.eu/legislation_summaries/justice_freedom_security/

8. See Council decision 2012/440/CFSP. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:200:0021:0023:EN:PDF.

1.3. Instrument for Stability (IfS)

Established in the framework of EC regulation 1717/2006 and complementing the rapid reaction mechanism,[9] the Instrument for Stability (IfS) finances two types of action depending on the situation on the ground.[10]

The short-term component, which represents 72 percent of the total IfS funds, aims to restore the necessary conditions for the implementation of other EU instruments. The short-term component is thus only dedicated to crisis situation response and prevention, and includes a wide range of actions such as supporting the development of democratic and pluralistic state institutions, supporting socio-economic measures to promote equitable access to and transparent management of natural resources in a situation of crisis, promoting and defending respect for human rights and fundamental freedoms, and supporting the rehabilitation and reintegration of the victims of armed conflict .

The long-term component, which takes place in a post-crisis environment and more stable situation, covers three main objectives: the fight against the proliferation of weapons of mass destruction, capacity-building in terms of cross-border threats (e.g. terrorism, illicit trafficking of people, drugs, firearms and explosive materials, sensitive chemical, biological, radiological and nuclear materials proliferation) and pre-/post-crisis preparedness. Due to its non-programmable nature, the short-term component is usually not included in the strategic papers which apply only to the long-term component.

The IfS is managed by the Foreign Policy Instrument Unit II, which, although an EC service, acts under the responsibility of the HR/VP of the Commission. The EEAS provides the strategic programmes on the long-term component which are then implemented by FPI or DEVCO. For the 2007-2013 period, the IfS has a budget of €2.062 billion.

Following the Foreign Affairs Council's Conclusions of 17 January 2013, the IfS has been used to allocate €20 million to restore and stabilise the situation in Mali by enabling the redeployment of civilian police, supporting the Malian government with training and technical assistance, promoting dialogue and reconciliation at the local level and contributing to the first phases of the electoral process.

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9. See: Rapid Reaction Mechanism: http://europa.eu/legislation_summaries/other/r12701_en.htm.

10. See: Chantal Lavallée, *L'instrument de stabilité – au service de l'approche globale de l'UE*, ISSUE Briefs n°15, 8 March 2013: http://www.iss.europa.eu/uploads/media/Brief_15.pdf.

1.4. Industrialised Countries Instrument (ICI)

Established in the framework of Council regulation 1934/2006, the financing instrument for cooperation with industrialised and other high-income countries and territories focuses on economic, financial and technical cooperation.

With a budgetary allocation of €172 million over the 2007-2013 period, the top three priorities of the ICI 2011-2013 programme, which is valued at €77,645,000,[11] are:

- **Public diplomacy**: support is provided to the EU Centre,[12] public policy think tanks and research institutes
- **Business cooperation**: Strengthening the presence of Europeans companies in key markets which are difficult to penetrate
- **People-to-people links**: Enhancing mutual understanding between people by strengthening cooperation in the field of education and civil society.

Based on multiannual cooperation programmes, the ICI is implemented by the EC according to adopted annual action programmes. It covers grants, financing agreements or employment contracts while the range of entities eligible for funding include partners countries, international and regional organisation and EU bodies including agencies.

The ICI does not allow the EU to cooperate with new emerging economies[13] on certain challenges (such as climate change or the need to promote sustainable development at all levels despite the widening of ICI to developing countries. Therefore a new partnership instrument was proposed in 2011 and should be launched when the next MMF is adopted, probably in the course of 2013.

11. Source: Multiannual programme for cooperation with industrialised countries and other high-income countries and territories (2011-2013): http://www.eeas.europa.eu/ici/docs/com_2011_2046_en.pdf.

12. In order to promote greater understanding and increase awareness of the EU, its institutions and its policies 35 European Union Centres have been launched in Universities in the United States, Canada, Australia, New Zealand, Japan, South Korea, Singapore and Taiwan. See: http://eeas.europa.eu/eu-centres/index_en.htm.

13. Indeed article 2.2 of Council regulation 1934/2006 provides that the scope of the instrument should be limited to '*countries and territories listed in the Annex (...) the Commission shall amend the list in the Annex in accordance with regular OECD/DAC reviews of its List of developing countries*'. But countries like India, China and Brazil are progressively moving beyond the status of developing nations.

1.5. Partnership Instrument

The Partnership Instrument is a new tool which is not yet operational but which is intended to overcome the limits of the ICI, allowing the EU to develop cooperation with strategic partners/emerging economies on topics of interest for the EU:

It will finance activities to support the projection of EU policies abroad through bilateral cooperation and common approaches to challenges, economic partnerships and business cooperation, public diplomacy activities and networks, people-to-people links; the conduct of policy discussions and joint activities with individual partner countries; and the promotion of trade and investment and regulatory convergence with strategic partners. [14]

According to the proposal for a regulation establishing a Partnership Instrument for cooperation with third countries[15] which is currently awaiting a first reading by the European Parliament,[16] this new instrument would be based on the combination of the following three articles of the Treaty on the Functioning of European Union (TFEU): Articles 212(2), 207(2) and 209(1). Once adopted, it should completely replace the ICI and be funded through the new MFF. According to the current proposal, the financial reference amount planned should be approximately €1.131 billion. The Partnership Instrument should enter into force on 1 January 2014 and last until 31 December 2020.

1.6. Instrument for Pre-Accession Assistance (IPA)[17]

Replacing the previous instruments for pre-accession[18] and established following Council regulation 1085/2006, the Instrument for Pre-Accession Assistance (IPA) provides financial support to the enlargement countries in their preparations for EU accession. With a €11.5 billion budget, the IPA works through multiannual frameworks/documents which are translated into annual programmes and implemented

14. Source: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A Budget for Europe 2020 - Part II: Policy fiches'; COM(2011) 500 final, 29 June 2011. See: http://ec.europa.eu/budget/library/biblio/documents/fin_fwk1420/MFF_COM-2011-500_Part_II_en.pdf.

15. Source: Proposal for a Regulation of the European Parliament and the Council establishing a Partnership Instrument for cooperation with third countries - {SEC(2011) 1475 final}; {SEC(2011) 1476 final}. See: http://ec.europa.eu/europeaid/how/finance/documents/prop_reg_partnership_instrument_en.pdf .

16. See: Procedure file of the Partnership Instrument for Cooperation with third countries: http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0411(COD)&l=EN#tab-0.

17. See in particular: Communication from the Commission to the European Parliament and the Council Instrument for Pre- Accession Assistance (IPA) Revised Multi-Annual Indicative Financial Framework for 2013. http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/miff_adopted10-10-12_en.pdf.

18. The three previous instruments were: the Instrument for Structural Policies for Pre-Accession, the PHARE programme for countries of Central and Eastern Europe and the Special Accession Programme for Agriculture and Rural Development (SAPARD). Turkey has also had a special pre-accession instrument.

in various ways (from centralised to decentralised and joint/shared management). The different programmes are decided and implemented by the respective EC DG according to five main components:

1. Transition assistance & institution building [DG Enlargement]
2. Cross-border cooperation [DG Enlargement]
3. Regional development [DG for Regional and Urban Policy]
4. Human Resources development [DG Employment, Social Affairs & Inclusion]
5. Rural development [DG Agriculture and rural development]

There currently are six candidate countries: Croatia (whose Accession Treaty was signed on 9 December 2011 and is expected to become a member state on 1 July 2013), Iceland, Montenegro, the former Yugoslav Republic of Macedonia, Serbia and Turkey. Albania, Bosnia and Herzegovina, and Kosovo are also regarded as potential candidates and are able to participate in activities under the two first IPA components.

1.7. EC Guarantees for Lending Operations

Established following Council regulation 480/2009, the Guarantee Fund for External Actions aims to protect the EU against financial risks related to loans (e.g. MFA) granted to third states. The objective is to protect European budget appropriations and to contribute to compliance with budgetary discipline.

Concretely, if a country does not respect its financial commitment *vis-à-vis* its debtors, the fund intervenes to pay the EU's and EIB's creditors, who were guarantors, in order to avoid direct financial risks for the EU budget. The management of the fund is entrusted to the EC and it is safeguarded as financing of the fund is guaranteed as compulsory expenditure from the general budget of the EU, according to the last inter-institutional agreement.

As of 31 December 2011, the net assets of the fund amounted to €1,755,434,096.[19]

19. Source: Report from the Commission to the European Parliament and the Council on guarantees covered by the general budget - Situation at 31 December 2011 - {SWD(2012) 347 final}.See: http://www.europarl.europa.eu/document/activities/cont/201301/20130109ATT58737/20130109ATT58737EN.pdf.

1.8. Instrument for Humanitarian Aid

The European Union (EU) is often quoted as being the biggest humanitarian aid donor in the world, and this constitutes an important aspect of the EU's external relations. This effort, based on several key documents such as the European Consensus on Humanitarian Aid,[20] the framework partnership agreement with humanitarian organisations[21] and the partnership with the United Nations,[22] seeks also to promote the fundamental humanitarian principles of humanity, neutrality, impartiality and independence.

Established following Council regulation 1257/96, the instrument for humanitarian aid aims to provide emergency assistance and support to victims of natural disasters, outbreaks of fighting or other comparable circumstances. The instrument can be activated at the request of a wide range of actors (including NGOs).

The measures, which cannot last longer than six months, are grant-financed and cover a range of issues, from supplying items during emergencies situations to the improvement of its own implementation process. In this framework, the Director of the Directorate-General for Humanitarian Aid (ECHO) is in charge of primary emergency humanitarian actions (with a maximum amount of €3 million and a maximum duration of three months), the European Commission (EC) is responsible for the managing and monitoring of the instrument and for the actions relating to emergency operations up to €30 million for a maximum of six months as well as non-urgent decisions up to a maximum of €10 million.

1.9. Macro-Financial Assistance (MFA)

Macro-Financial Assistance (MFA) is a policy-based financial instrument of untied and undesignated balance-of-payments support to partner third countries. It takes the form of medium/long-term loans or grants, or a combination of these, and complements the financing provided in the context of the International Monetary Fund's reform programme. In 2011/2012, the recipient countries were: Georgia, the Kyrgyz Republic, Egypt, Kosovo, Armenia, Moldova, Serbia, Ukraine and Bosnia and Herzegovina.

20. See: http://europa.eu/legislation_summaries/humanitarian_aid/ah0009_en.htm.
21. See: http://europa.eu/legislation_summaries/humanitarian_aid/r12600_en.htm.
22. See: http://europa.eu/legislation_summaries/humanitarian_aid/r10007_en.htm.

MFA commitments and payments in 2011-2012[23]

(values in euro)	2011	2012 (indicative)
Appropriated commitments for grants in the budget	**104,868,567**	**95,550,000**
Commitments, total	**393,476**	**88,350,000**
OAs, PEFA studies, ex-post evaluations	393,476	350,000
MFA Georgia (proposed)		23,000,000
MFA Kyrgyz Republic (proposed)		15,000,000
MFA Egypt (possible)		50,000,000
MFA Kosovo (possible, end-2012 or 2013)		t.b.d.
Uncommitted budget allocations	104,475,091	n.a.
Appropriated MFA grant payments in the budget	**88,552,647**	**79,050,000**
Payments, total	**55,236,767**	**74,350,000**
OAs, PEFA studies, ex-post evaluations	236,767	350,000
MFA Armenia	35,000,000	
MFA Moldova	20,000,000	30,000,000
MFA Georgia (proposed, first payment)		11,500,000
MFA Kyrgyz Republic (proposed, first payment)		7,500,000
MFA Egypt (possible, first payment)		25,000,000
Unused allocations for grant payments	**33,315,880**	**4,700,000**
Loan MFA disbursements, total	**126,000,000**	**705,000,000**
Armenia	26,000,000	39,000,000
Serbia	100,000,000	
Other, including Ukraine, Bosnia and Herzegovina (active) and Egypt (possible)		666,000,000

MFA = macro-financial assistance; OA = operational assessment; PEFA = public expenditure and financial account-ability

23. Source: Report from the Commission to the Council and the European Parliament on the implementation of macro-financial assistance to third countries in 2011, COM(2012) 339 final, Brussels, 28 June 2012.

1.10. Development Cooperation Instrument (DCI)

Established in the framework of regulation 195/2006, the Development Cooperation Instrument (DCI) replaces a large number of instruments created over time and as needs arose[24] and is structured around three main components.

The first component which is financially the most important is dedicated to geographic programmes and covers various forms of cooperation with 47 developing countries: from the achievement of the Millennium Development Goals to assistance in post-crisis situations.

The second component includes all the thematic programmes related to food security, migration and asylum, environment and the roles of non-states actors and local authorities in development.

Finally the last component covers the specific accompanying measures dedicated to the 18 African, Caribbean and Pacific 'Sugar Protocol' countries.[25]

With a €16.9 billion budget over the 2007-2013 period (€10.057 billion for the geographic programmes, €5.596 billion for the thematic programmes and €1.244 billion for the ACP Sugar Protocol countries), the DCI is managed through annual and multiannual action programmes.

1.11. European Neighbourhood and Partnership Instrument (ENPI)

Established in 2007 following the EC regulation 1638/2006, the European Neighbourhood and Partnership instrument (ENPI) supports the European Neighbourhood Policy (ENP) and provides funding for actions promoting good governance and economic development in ENP partner countries, with the purpose of facilitating and speeding up the transition to democracy, market economy, sustainable development and adoption of human rights norms.

24. The TACIS Programme (2000-2006) which aimed to promote the transition to a market economy and to reinforce democracy and the rule of law in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Mongolia, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. See: http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17003_en.htm. The ALA programme provided financial aid and cooperation with countries in Asia and Latin America.

25. In parallel with the Cotonou agreement, the Sugar Protocol has incorporated preferential trade arrangements with the EU for certain ACP countries: Barbados, Belize, Republic of Congo, Fiji, Guyana, Côte d'Ivoire, Jamaica, Kenya, Madagascar, Malawi, Mauritius, Mozambique, St. Kitts and Nevis, Suriname, Swaziland, Tanzania, Trinidad and Tobago, Uganda, Zambia, Zimbabwe.

With a €11.2 billion budget for the 2007-2013 period, the ENPI supports in particular political, economic, social and sectoral reform, while also backing regional and local development and participation in Community programmes such as INVEST in MED, a Euro-Mediterranean network of organisations committed to investment promotion and trade facilitation, or the FLEG programme which supports governments, civil society and the private sector in the development of sound and sustainable forest management practices.

In addition, the ENPI has several specific provisions regarding cross-border cooperation (to which 5 percent of the budget is allocated), good governance programmes and the sharing of information between the participants.[26]

26. Article 16 of regulation n°1638/2006 provides that: '*Community financing may also cover expenditure associated with the preparation, follow-up, monitoring, auditing and evaluation activities directly necessary for the implementation of this regulation and for the achievement of its objectives, e.g. studies, meetings, information, awareness-raising, publication and training activities, including training and educational measures for partners enabling them to take part in the various stages of the programme, expenditure associated with computer networks for the exchange of information and any other administrative or technical assistance expenditure that the Commission may incur for the management of the programme*.'