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TABLE OF CONTENTS

- 1. Introduction 3
- 2. Analytical and policy framework 4
 - 2.1 Strategic context..... 4
 - 2.2 Policy framework 5
- 3. Response strategy..... 7
 - 3.1 Priority 1 – Non-proliferation of weapons of mass destruction..... 7
 - 3.2 Priority 2 – Counteracting global and trans-regional threats 10
 - 3.3. Implementation approach for Priorities 1 and 2..... 13
 - 3.4. Priority 3 – Building capacity for effective crisis response..... 14
 - 3.5. Implementation approach for Priority 3 17
- 4. Financing 19
- ANNEX I: Joint Council / Commission Declaration on the crisis response provisions of the Instrument for Stability 22
- ANNEX II: Declaration of the Commission to the European Parliament relating to article 4.1(a) of the Instrument for Stability 23

1. INTRODUCTION

“Peace, security and stability as well as human rights, democracy and good governance are essential elements for sustainable economic growth and poverty eradication”.

The European Council recognised in its conclusions of November 2004 that the effectiveness of EU external action is dependent on the **links between security and development**. The interdependence between development and security has been further recognised in the European Consensus on Development and the EU Strategy for Africa. The new **Instrument for Stability**, which was created as part of the reform of the Community external financing instruments in 2006, has been designed to provide the Union with a new strategic tool to address a number of global security and development challenges

This Instrument has a **three-pronged** focus:

- (1) to ensure an effective, rapid, flexible and adequately funded **initial response** to situations of political crisis or natural disaster in third countries;
- (2) to develop, consistent with the provisions of articles 4.1 and 4.2, **longer-term Community actions to counter global and trans-regional threats** arising from organised crime, trafficking, proliferation of nuclear, biological and chemical agents and also threats to critical infrastructure and public health, while at the same time contributing to broader Community development and external policy objectives;
- (3) to set up, consistent with the provisions of article 4.3, longer-term capacity building measures aimed at **strengthening** international organisations and non-state actors with a crisis prevention or response mandate.

The actions in a crisis situation provided for under Article 3 of the Instrument for Stability are by their very nature unforeseeable and non-programmable. The implementation of such actions is subject to specific consultation procedures set out in a Joint Council/Commission Declaration (see ANNEX I) adopted alongside the Regulation establishing the Instrument for Stability¹ and therefore is *not* addressed in this Strategy Paper.

This Strategy Paper focuses therefore on those provisions of the Instrument set out in points (2) and (3) above. It covers a four-year period (2007-2011) and will be subject to a possible revision in 2009.

The Commission has identified **three main priorities** for longer-term actions:

- (1) to support international efforts to address the **proliferation of weapons of mass destruction, through appropriate actions consistent with the provisions of article 4.2, in particular** through effective control of chemical, biological, radiological and nuclear materials and agents, control of dual-use

¹ Regulation (EC) 1717/2006 of the European Parliament and of the Council of 15 November 2006 establishing an Instrument for Stability.

goods, and the redirection of weapons scientists' knowledge towards peaceful activities;

- (2) to support global and trans-regional efforts to address the threats posed by **trafficking, terrorism and organised crime**; and
- (3) to build capacity within the EU and the international community for **effective crisis response**.

Two additional priorities for subsequent attention will be to address, under Article 4(1), threats to **critical infrastructure and major public health threats** with a potential trans-national dimension. These latter areas are new and fundamental for EU external action and will require extensive preparation, not least in terms of expert advice, in order to design specific programmes. The Commission plans to come back to these two areas in subsequent Indicative Programmes, when the level of funding will also be higher than during the first years.

Complementarity will be sought with the geographic instruments. These account for about 85% of EC funds for external action in the period 2007-2013 and will make important contributions to addressing security-related challenges. Coherence and complementarity of all actions under the Instrument for Stability with actions supported through other EC instruments, including the European Development Fund, will be ensured. An appropriate regional balance will be ensured in the implementation of the strategy.

A further central consideration in the Commission's proposals for the scope, programming and decision-making procedures of the Instrument for Stability is the need to ensure that Community policies and the Common Foreign and Security Policy (CFSP) work coherently and effectively in the service of common EU goals. The Commission will therefore seek to maximise the **synergies with the CFSP** and closely monitor complementarity between Community and CFSP actions at all stages of the implementation of the Instrument. It will do this in close cooperation with the relevant Council working groups on similar activities including the use of existing expertise. As regards the non-proliferation of weapons of mass destruction and terrorism, the Commission will work in close coordination with the Council Secretariat's WMD Monitoring Centre and its services dealing with counterterrorism. The actions planned under the IfS will aim at further enhancing stability and development in third countries in line with the overall objectives of the regulation.

Clear political will to address the relevant problems on the part of partner organisations and countries will be essential to ensure effective implementation and sustainability of results.

2. ANALYTICAL AND POLICY FRAMEWORK

2.1 Strategic context

The 2003 *European Security Strategy* identifies threats that are **diverse but at the same time interconnected**. Following its adoption, there has been ongoing debate on a series of challenges of particular importance for the Instrument for Stability. These include:

- Covert state acquisition and programmes for the development of **weapons of mass destruction** (WMD) have the potential to destabilise regional and international security. Terrorist or organised-crime acquisition of WMD could provide small groups with the capacity to inflict highly significant damage;
- The trans-national nature of terrorist networks makes the fight against **terrorism** and its financing very complex. International and regional cooperation to identify, deter and disrupt terrorist networks is among the top priorities of the Union;
- **Organised crime** is responsible for illegal trafficking of human beings, goods, drugs and money through countries of origin, transit and destination. Trafficking is also a source of capital accumulation which can be used to finance further illegal activities such as terrorism;
- The illicit manufacture, transfer and circulation of **firearms** fuel terrorism and organised crime, contribute to the spread of conflicts, the collapse of state infrastructures and state failure, and threaten economic livelihoods. The re-establishment of security in post-conflict situations requires adequate controls on the availability of weapons.

These threats and challenges are also relevant to the debate on the concept of **human security**.

Vulnerability to most of the above threats has increased as a result of globalisation, in particular due to greater international openness. Globalisation entails enhanced **international flows** of goods, knowledge, money, services and people by air, land or sea, through electronic media, via energy networks or by natural transmission (for viruses/bacteria), etc. Threats to disrupt the supply or flow of energy or essential natural resources can have a significant negative impact on the security of the peoples, countries and regions involved. Of similar concern are various kinds of illicit trafficking which pose threats to the functioning of the global system and can undermine human, national and regional security. A major challenge for the security of the EU and its partners will be to identify effective measures to **prevent disruptions to vital ‘positive’ flows** and to **counter ‘negative’ flows**.

2.2 Policy framework

Among the relevant EU strategies and policies that will guide the implementation of the Instrument for Stability are:

- The *European Security Strategy*², which develops a broad EU approach to building stability and addresses major global threats;

² 12.12.2003.

- The *European Consensus on Development*³, which puts the eradication of poverty within the context of building a “more stable, peaceful, prosperous and equitable world”, commits the Community to develop a “comprehensive prevention approach to state fragility, conflict, natural disasters and other types of crises”, and calls for “integrated transition strategies” in post-crisis situations.
- *The EU Policy Coherence for Development*, where the EU commits to treat security and development as complementary agendas, enhance its policies in support of good governance and the prevention of state fragility and conflict as well as promote cooperation in fighting corruption, organised crime and terrorism.
- The *EU Strategy for Africa*, the overarching goals of which are to **support Africa’s efforts to reach the UN Millennium Development Goals** and make Europe’s partnership with Africa more efficient. The Strategy underlines that no lasting progress is possible without good governance, peace and security.
- The *EU Strategy against the Proliferation of Weapons of Mass Destruction*⁴, which calls upon the EU to address WMD and missile proliferation with “all instruments and policies at its disposal”, provides for the establishment of a WMD Monitoring Centre to enhance implementation of the strategy, and also identifies clear links to both broader efforts to address regional instability and the EU’s counter-terrorism strategy;
- The *European Council Declaration on Combating Terrorism*⁵, which called for counter-terrorist objectives to be integrated into external assistance programmes;
- The *EU Strategy to combat illicit accumulation and trafficking of small arms and light weapons and their ammunition*⁶;
- The *EU Programme for the Prevention of Violent Conflicts*⁷, which addresses in greater detail the EU’s “political commitment to pursue conflict prevention as one of the main objectives of the EU’s external relations”;
- The 2005-2012 EU Drugs Strategy and the EU Action Plan on Drugs 2005-2008, which provide the framework for a balanced, integrated approach to the problem of illicit drugs both in the EU and at the international level.

In addition, implementation will be guided by a series of Commission policy documents outlining the **external aspects of internal EU security policies**.

Two key Commission Communications focusing mainly on external action are:

- *Europe in the World*⁸, which focuses on ensuring greater coherence of the internal and external policies of the EU (particularly in the areas of freedom,

³ 22.11.2005.

⁴ 12.12.2003.

⁵ 25.03.2004.

⁶ 15.12.2004.

⁷ June 2001.

security and justice) and the need to anticipate and respond adequately to new threats and opportunities in the EU's external relations, particularly through linking together the EU's foreign policy, political dialogue and development tools; and

- *Improving EU Disaster and Crisis Response*⁹, which sets out both the policies and the specific measures the Commission is putting in place to strengthen the Community's contribution to disaster and crisis management.

The Commission will also take account of the best practices developed by the UN, the World Bank and the OECD Development Assistance Committee (including its internationally accepted definitions of Official Development Assistance).

The Commission will also seek to maximise the visibility of the strategy and the programmes/projects implemented under the response strategy below.

3. RESPONSE STRATEGY

3.1 Priority 1 – European Community contribution to the Implementation of the EU Strategy against proliferation of Weapons of Mass Destruction

3.1.1 Background and past EU actions

Since the mid-1990s, the EU has been active in the field of the non-proliferation of weapons of mass destruction (WMD) through the provision of financial and technical assistance to third countries. This has been primarily under the TACIS programme.

The specific focus of past actions has been the Russian Federation and other CIS countries. The aim has been to increase international cooperation in the fight against the proliferation of WMD. In 2002, at the Kananaskis G8 Summit, the Commission committed itself to spend €1 billion over ten years on behalf of the EU as a contribution to the G8 Global Partnership. The majority of the Community's contribution so far channelled via the TACIS programme has been devoted to **nuclear safety** projects to limit the risk of accidents in the operation of nuclear installations. This programme has also covered activities related to non-proliferation, such as projects in the field of Nuclear Materials Accountancy and Control and Combating Illicit Trafficking. Projects related to non-proliferation, such as the TACIS support for the International Science and Technology Centre (ISTC) in Moscow and the Science and Technology Centre in Ukraine (STCU), are also relevant to the Kananaskis commitment. These institutes seek to redeploy former Soviet Union weapons scientists towards peaceful activities and **prevent the proliferation of WMD expertise**.

The EU has also taken action to meet the requirements of UN Security Council Resolution 1540, adopted in April 2004. Among other things, it requires States to address the threat posed by the involvement of state and non-state actors in any aspect of WMD proliferation. In November 2003, the EU decided to include a standard clause on non-proliferation in all agreements with third countries. Following

⁸ COM(2006) 278 final, 08.06.2006.

⁹ COM(2005) 153, 24.04.2005.

a request from the European Parliament to carry out projects on WMD, the Commission subsequently launched a research project in partnership with the Stockholm International Peace Research Institute (SIPRI). SIPRI made recommendations for action in the areas of nuclear security, support for the Chemical Weapons Convention (including assistance for weapons destruction), prevention of biological proliferation, export control and related border control assistance, as well as support to prevent the misapplication of scientific knowledge (including as regards the international Science Centres). These recommendations were discussed at an inter-parliamentary conference at the end of 2005 and will be taken into account in the further work

Multiple threats exist in the area of WMD proliferation. Weapons scientists and engineers no longer required in state programmes could be enticed into covert activity in proliferating states. Furthermore, the existence of residual infrastructure, weapons (e.g. chemical weapons) and materials from Cold War WMD programmes calls for the dismantling of facilities and the destruction of weapons and dangerous materials. The existence of poorly protected storage facilities for chemical, biological, radiological and nuclear (CBRN) agents and materials also makes it essential to strengthen site security. **Trafficking in CBRN materials** is regarded as a significant potential threat, with nuclear terrorism being a particular concern. In many countries, the prevention of trafficking in sensitive materials and technologies is complicated by weak export controls as well as limited ability to enforce effective border controls and counter deceptive financial practices. Often the necessary detection equipment and export control structures are not in place, and there are neither clear allocations of tasks and responsibilities among national agencies nor clear channels for comprehensive exchanges of information at national, regional and trans-regional levels. Furthermore, common standards to collect and share information on trafficking incidents are missing.

Experience has shown that Community programmes can play an important role in the area of non-proliferation. In the course of its cooperation with Russia and other CIS countries, and through the enlargement process, the Community has acquired considerable experience in combating the trafficking of illicit nuclear materials. This has included the training of enforcement officials and the implementation of model border crossings to improve **export control and border control**. As regards protecting against the misappropriation of scientific knowledge, the Community has more than ten years of relevant experience with the above-mentioned **Science Centres in Moscow and Kiev**. The Commission has also developed useful knowledge on the disposition of former weapons-related capabilities.

The Instrument for Stability, consistent with the provisions of article 4.2, provides the opportunity to:

- strengthen the effectiveness of non-proliferation action;
- develop a coherent and complementary set of non-proliferation measures; and
- adopt a more flexible regional or country focus, allowing, for example, the delivery of practical export control and related border control assistance in the EU neighbourhood and in areas of proliferation concern.

In this context, the European Commission will, as appropriate, work with and strengthen the capacities of relevant regional, sub-regional, trans-regional and international organisations.

The Instrument will also allow the Commission to play a more flexible and robust role in supporting the EU's WMD strategy, in cooperation with the WMD Centre in the Council Secretariat.

Complementarity and coherence with other donors, particularly but not exclusively in the context of the G8 Global Partnership against WMD, will need to be ensured. Contacts also exist with the main donors outside the EU and will be strengthened in the future in order to increase possible synergies with third countries.

Finally, the Instrument for Stability will be complementary to both the Nuclear Safety Instrument and the CFSP budget. The Nuclear Safety Instrument will focus amongst other things on the implementation of nuclear safeguards. Other activities related to non-proliferation, previously undertaken under the TACIS Programme, will now be covered by the Instrument for Stability.

3.1.2 Objectives

Against this background, the overall objective is to counteract the illicit spread of CBRN technologies, materials and agents and their means of delivery, and thus contribute to reduce the risk of proliferation through appropriate actions as defined by article 4.2 of the Instrument for Stability.

The specific objectives include:

- mitigate the risk of proliferation of weapons expertise through the **redirection** of scientists and engineers knowledge towards peaceful activities.
- **strengthen the capacity** of the civilian authorities involved in the development and enforcement of effective control of CBRN trafficking;
- support the development of the legal framework and institutional capacities for the establishment and enforcement of **effective export controls** on dual-use goods, including measures for regional cooperation.

In the field of the non-proliferation of WMD, the approach taken must necessarily be global and trans-regional, although many of the measures may be implemented at national, regional and sub-regional levels.

Attention will in particular be given to regions or countries where stockpiles still exist and to those routes along which there is a risk of proliferation of such materials. The overall approach for the 2007-2013 strategy is to establish a Community framework for eligible CBRN-related actions covering both the EU WMD Strategy and relevant international commitments made by the EU and its partners¹⁰. More specifically, and within the context of the G8 Global Partnership, agreement will be sought with partners to ensure that EU contributions have high added value in terms of non-proliferation. **On this basis, actions under the Instrument for Stability**

¹⁰ Support to WMD projects is not foreseen under the Cotonou agreement. Financing by the Instrument for Stability could be envisaged in the framework of its programming priorities.

should form a significant part of the implementation of the Commission's overall Kananaskis commitment¹¹.

3.1.3 Priority areas for support

Measures to achieve these objectives may include:

- support for **redirection of** weapons-related scientists' and engineers' knowledge from the nuclear, radiological, biological and chemical areas to peaceful activities;
- enhancement of **safety practice** at civilian facilities where sensitive CBRN materials are stored or handled;
- within European Community competence, support for **multilateral nuclear arrangements** that contribute to addressing non-proliferation concerns;
- establishment of the necessary civil **infrastructure for the dismantlement** or conversion of former weapons-related facilities;
- strengthening civilian **capacity to prevent illicit trafficking in chemical, biological, radiological and nuclear materials or agents (including the equipment for their production or delivery)**. This would possibly be linked to existing programmes covering legal assistance, information sharing on proliferation finance, and the enforcement of export control systems for sensitive goods and technologies.;
- capacity building to ensure effective **export control of dual-use goods**. The Commission has already supported activities in this field;
- development of **civilian disaster-preparedness measures** in relation to possible major environmental incidents; and
- addressing **biological threats**. Measures could include risk analysis, prioritisation of potential actions, and the export of EU standards to third countries.

3.2 Priority 2 – Counteracting global and trans-regional threats

3.2.1 Background and past EU actions

As recently detailed in the Commission Communication on **Security Sector Reform**¹², the Community has developed substantial experience in a number of relevant security areas in various countries and regions. International security challenges have mainly been addressed through actions based on Country and Regional Strategy Papers and National and Regional Indicative Programmes. Using different geographical instruments, the Commission has funded institution building programmes on the rule of law, focusing on the modernisation and functioning of law enforcement and judiciary. Programmes to facilitate the adoption of the 'acquis' in the enlargement process are also important in this context.

Main areas of EU intervention in the **justice area** include:

¹¹ The major part of this commitment in financial terms will continue to be funded from the Community's nuclear safety programmes

¹² COM(2006) 253 final, 24.05.2006.

- reform of the judiciary aimed at the development or modernisation of national legal frameworks in compliance with international and regional standards;
- reform of Ministries of Justice and court systems, including reforms relating to the selection and recruitment of judges, protection of human rights, access to justice, and training of judges/prosecutors/lawyers;
- support to improve the administrative functioning of the courts and reforms relating to the delivery and implementation of judgments; and
- reform in the area of judicial control of police services and prison reform.

Actions in such areas have been developed either directly by the Commission (twinning, TAIEX) or EU Member States or through organisations such as the United Nations Office on Drugs and Crime (UNODC), the Council of Europe, Interpol, or international NGOs.

Police reform work has included the modernisation of the role and organisation of police services, management reform, specialised services (public order, border police, specialised organised-crime services, etc.), training, provision of equipment, cooperation with justice, forensics, special investigation techniques, and integration and democratisation of police forces.

The Community has contributed to the **fight against terrorism** through its support for capacity building projects in some 80 third countries. These projects have focused on areas such as border management, terrorist financing, and police and justice cooperation, thus contributing to the implementation of UN Security Council Resolution 1373 (September 2001).

With regard to support for the **fight against organised crime**, the Community has financed broad-ranging external aid activities and a series of projects focusing on specific forms of organised crime (e.g. Western Balkans). In addition to projects in the area of drug trafficking, as mentioned below, there have been several projects to target money laundering (e.g. in Russia, Nigeria, Indonesia, the Philippines) or trafficking in firearms (e.g. TACIS Multi-country projects (Russia, Ukraine, the Republic of Moldova, Georgia, Kazakhstan). Trafficking in human beings has a prominent place in the external dimension of the area of freedom, security and justice and there are several successful TACIS and AENEAS projects in Russia, the Republic of Moldova and Ukraine.

There is now extensive Community experience in providing support for border management and international police cooperation, both of which are relevant for the fight against terrorism and organised crime. In the area of **border management**, the Community has for example supported long-term programmes in the Western Balkans, Central Asia, Ukraine, the Republic of Moldova and the Philippines. These programmes aim at enhancing the national capacities of all agencies involved in border management, with a particular emphasis on inter-agency and international cooperation. In the field of **international police cooperation**, the Community has financed projects to upgrade the Interpol national central bureaus in the Western Balkans, Russia, Ukraine and Central Asia.

The EU has also focused attention on the problem of **firearms and explosive materials** that have been illegally accumulated, held or transferred. Community

activities have been mainly directed at counteracting the effects on populations. Measures have ranged from institution and capacity building in target countries to physical elimination or control of weapons and ordnance. In parallel, internal Community action has been pursued with regard to licensing, transport legislation and information-gathering.

The above range of actions shows that national and/or regional approaches need to be complemented by global programmes in order to cope with the complex challenges posed by international threats, including terrorism and organised crime. National and regional capacity-building projects need to be complemented by more global programmes that will also link up with the national and regional operations.

With regard to the horizontal instruments aimed at tackling global threats such as drugs, landmines and firearms, the lessons learned from the programmes implemented have helped the Commission define principles for actions (including those funded by geographic instruments) and promote better coordination with other international actors.

As an example, the North/South drugs cooperation budget line has focused on the trans-regional dimension by using the concept of "**trans-regional drugs routes**". It combines institution-building and support for operational capabilities with the facilitation of inter-agency cooperation and the improvement of response standards in countries situated along one common drugs trafficking route.

It is important to recall the Commission's declaration to the European Parliament during the negotiation of the Instrument for Stability (see ANNEX II), under which the Commission undertook to ensure that measures adopted in relation to the fight against terrorism and organised crime will be in accordance with international law. The Commission also undertook to ensure careful monitoring of such measures to ensure compliance with international human rights obligations and applicable humanitarian law.

3.2.2 Objectives

Against this background, the overall objective is to **reduce illicit trans-regional flows**, such as the trafficking of human beings (including child trafficking), firearms, and drugs, as well as to tackle other related international criminal activities (notably financial crime).

The specific objectives are to:

- identify and address key factors that will contribute to the **prevention and disruption of illicit flows**; and
- **strengthen regional, sub-regional and international capacity** to tackle illicit flows through the promotion of cooperation and action at trans-regional or global level.

Additional objectives will be to ensure the protection of critical infrastructure and strengthen international capacity to address major public health threats with a potential trans-national dimension.

3.2.3. Priority areas for support

Measures to achieve these objectives may include:

- increasing the effectiveness of law enforcement bodies through the provision of legal assistance, training and capacity-building, as well as exchanges and support for cooperation amongst law enforcement agencies, judicial and other authorities;
- support for the development of law enforcement information networks and risk analysis methodologies. Here, it will be important to work with EU and other international actors with security analysis capacities (Europol, Interpol, Council of Europe, etc);
- support for multi-purpose actions in the area of law enforcement intelligence networks to address interlinked activities of organised crime, such as trafficking in drugs, human beings and firearms, illegal migration, terrorism¹³ and related financial crimes, including taking into account cooperation with the Financial Action Task Force (FATF);
- support for the establishment of best practices and common standards on security-related matters.

With regard to threats to critical infrastructure and public health, possible priorities will include networking of security databases, exchange of information between relevant stakeholders, and risk assessment.

3.3. Implementation approach for Priorities 1 and 2

The interrelated nature of the range of threats facing the EU and its partners demonstrates the need for a **multi-purpose response**.

The strategy aims at developing **coherent trans-regional** programmes that will contribute to reducing various negative flows and to protecting positive flows. The emphasis will be on the main flows from different regions towards Europe.

It will be important to identify and implement measures that will have a multi-purpose impact by countering several different threats at the same time (as is the case for border management and other programmes simultaneously addressing a wide range of criminal activities).

Synergies and coherence between the approaches and actions of the Community and Member States will be ensured. Similarly, synergies will be sought with geographic and thematic programmes. Active cooperation with international and regional organisations - such as the African Union - will be pursued.

Given the evolving nature of the threats described earlier, the types of responses that could be envisaged under the long-term part of the Instrument for Stability will need to involve a certain degree of innovation and experimentation. Furthermore, Member States' **expertise** will be essential for both programme development and implementation.

¹³ Support to specific actions in the context of counter-terrorism is not foreseen under the Cotonou agreement. Financing by the Instrument for Stability could be envisaged in the framework of its programming priorities.

The first **Indicative Programme** for Priorities 1 and 2 will therefore cover only a two-year period (2007-2008).

The initial implementation phase over 2007-2008 will include:

I: A range of projects — as outlined in the attached Indicative Programme — to support both the strengthening of relevant regional expertise and networking between regions most affected by one or more of the above-mentioned threats.

II: The setting up of a mechanism (expert support facility) to mobilise expertise with a twofold objective to support the Commission:

1. To carry out feasibility studies, evaluations and assessments of cooperative frameworks with beneficiaries;
2. To implement specific actions, experts could be deployed on short-, medium- or long- term basis.

Such a mechanism will rely on the expertise available in the Commission and other EU bodies (such as, for instance, in the Joint Research Centre) as well as in Member States. These competences will be maintained in the Commission to provide adequate and sustainable support in relevant areas.

Due to the multiregional dimension of the actions to be implemented, the programmes should be centrally managed by Commission headquarters. Central management will be key to ensuring the coordination, coherence and monitoring of the different programmes to be designed and implemented.

3.4. Priority 3 – Building capacity for effective crisis response

3.4.1 Background and past EU actions

Since the publication of the UN's Brahimi report in 2000, which underlined the major capacity constraints facing the international community in responding to political instability and violent conflict, the European Union has recognised the need to **develop civilian capacity for crisis response**. Much of the capacity, expertise and field experience in conflict prevention, peacebuilding and post-disaster recovery lies with international organisations (notably the UN and World Bank), regional organisations (such as the African Union and Organisation of American States), professional associations, non-state actors and the private sector. Community programmes have traditionally relied upon this capacity for implementing actions. In recent years, moreover, the Commission has also sought to mobilise such non-state actors in parallel with EU ESDP operations so as to maximise their combined impact.¹⁴

For the EU's crisis response to be effective, it needs to make an **upstream investment in the response capacity** of its major implementing partners in these areas. Such investment should be designed to ensure that the necessary early warning

¹⁴ By way of example, Community funding of the NGO Crisis Management International led to the brokering of a peace agreement in Aceh, which was subsequently monitored by the EU. The reintegration of former combatants was financed by the Community and implemented by the International Office of Migration.

mechanisms, capacity for political analysis, methodologies, geographic information systems and human and logistical resources are in place before a crisis erupts.

To date, there has been no specialised source of funding for such upstream work. Funding under the Community *Rapid Reaction Mechanism* could only be mobilised in the event of a specific crisis in a third country. This was a clear weakness, which has been corrected in the Regulation establishing the Instrument for Stability. Nevertheless, prior to the adoption of the Instrument for Stability, the Commission had developed a number of initiatives under other instruments, in particular :

- the Commission has taken a strategic approach to developing the capacity of regional and sub-regional organisations – notably through the Africa Peace facility;
- administrative and research funds were used to develop damage assessment methodologies and conflict mapping;
- the Mine Action budget contributed to the development of mine detection technologies;
- funding was secured under the European Initiative for Democracy and Human Rights to train civilian experts for participation in international crisis management operations; and
- a partnership was established with specialised non-state actors to support the Commission's policy of mainstreaming conflict prevention in its development work.

The following are a number of the **lessons learned** from this work:

- while humanitarian relief, on the one hand, and long-term development, on the other, had highly professional working methods, there was a clear **capacity gap in the international system in the pre-crisis and early recovery¹⁵ phases**. These are precisely the phases in which the Instrument for Stability will be most active;
- funding for crisis response needs to be complemented by dedicated funds to develop operational good practices amongst the Commission's implementing partners ahead of any crisis;
- support for regional or sub-regional organisations needs to be delivered in the context of a clear political strategy towards such organisations, with long-term and predictable financing;
- the EU has a substantial contribution to make to the development of policy and practice at international level. Moreover, in developing its own policies, the EU would benefit from a more structured policy dialogue with non-state actors, the UN, the World Bank and other international organisations;
- the Commission has a substantial technical capacity of its own (notably in the form of the Joint Research Centre and the technical expertise of staff in its Delegations) that can be put at the disposal of its implementing partners.

¹⁵ The term 'early recovery' is used to distinguish between the humanitarian relief phase, where the focus is on meeting essential human needs. Assistance during the 'early recovery' phase typically focuses on supporting national authorities in reconstruction planning and the re-establishment of essential public services.

A clear distinction can be made between the assistance in this field envisaged under the Instrument for Stability and that provided in other related fields under the Humanitarian Aid Regulation and the Community's long-term country and regional programmes. Under its humanitarian aid programmes, the Community supports the pre-positioning of relief supplies, the development of the UN's humanitarian coordination systems and specific disaster-preparedness measures in a number of third countries, through DIPECHO. Under its country and regional programmes, the Community is working with the Africa-Caribbean-Pacific (ACP) Secretariat on an EDF-funded disaster preparedness facility, and EC MEDA funds have been used to develop emergency response plans for potential disasters around the Mediterranean rim. Community research funds are also being used to develop early warning and alert systems for natural disasters.

Measures under the Instrument for Stability will, for their part, focus primarily on building the capacity of those international actors, regional and sub-regional organisations that are mobilised when national capacities are insufficient to respond to a crisis. They will address the capacity to respond in both the **pre-crisis phase**, where **confidence-building** measures could already pre-empt a crisis, and the **post-crisis early recovery phase** (as opposed to the more immediate **humanitarian relief phase**).

The Instrument for Stability does not make provision for disaster preparedness at a national level. Funding for such activities will be provided, as appropriate, from the long-term geographic programmes. Given the need for a consistent and strategic dialogue with regional and sub-regional organisations, the Commission will provide such organisations support primarily through the geographic financing instruments. Nevertheless, some support under the Stability Instrument may be provided through multi-lateral initiatives.

Particular attention will be given to ensuring complementarity and coordination with actions planned and carried out in the framework of CFSP/ESDP.

3.4.2. Objectives

The overall objective is to **strengthen the international capacity and regional capacity** to anticipate, analyse, prevent and respond to the threat to stability and human development posed by violent conflict and natural disasters, as well as to improve post-conflict and post-disaster recovery.

The specific objectives are to:

- build the capacity of non-state actors and regional and sub-regional organisations engaged in the prevention of violent conflict, post-conflict political stabilisation and early recovery after a natural disaster;
- strengthen capacities for providing early warning of potential crisis situations;
- ensure access to a well-trained body of experts with relevant skills in the fields listed under Article 3(2) of the Instrument for Stability; and
- build close operational links between the EU and relevant UN agencies and programmes, the World Bank and other multilateral and regional organisations in the above areas.

The overall aim of these proposals is to build upon the existing capacity amongst the Commission's implementing partners, provide innovative mechanisms to deploy these skills in crisis situations, and share expertise with Member States, while at the same time avoiding the creation of new bureaucratic structures. These proposals reflect the emphasis in the European Consensus on the participation of civil society and the role of non-state actors.

3.4.3. Priority areas for support

Priority areas for support will include:

- strengthening the capacity of non-state actors in the fields of mediation, 'track-two' diplomacy and reconciliation, and building effective bridges between non-state actors and formal diplomatic initiatives;
- developing the operational capacity of the Commission's implementing partners in the field of crisis response and early recovery, the establishment of networks and building the capacity of civil society organisations to contribute to EU policy formulation and operational practice on crisis response and conflict prevention;
- identification and sharing of best operational practice in the use of development assistance to address the root causes of conflict;
- development of policy-oriented research (in particular field-based research) aimed at early warning of potential crises, the identification of their root causes and the provision of real-time analysis;
- promoting the development and dissemination of suitable technologies to support the overall capacity-building objective of this programme (e.g. in the areas of mine action, damage assessment, mapping, databases, logistics, etc.);
- training and development of common training standards at EU level and between the EU, UN, World Bank and other multilateral and regional partners. Particular attention will be given to training and standard setting in the priority areas for EU civilian missions¹⁶;
- developing common operational practices and tools with the UN, World Bank and other regional and multilateral agencies, in particular in damage assessment and assessment of primary needs at the early post-crisis recovery stage¹⁷, and measures to strengthen operational cooperation between programmes of the Community and those of Member States.

3.5. Implementation approach for Priority 3

Financial support towards the above objectives will be provided in the context of a wider **Peacebuilding Partnership** which the Commission will establish to improve communication with its key partners in crisis response. The Partnership will not

¹⁶ The Stability Instrument will not fund training of Member States experts in the field of civil protection. This is covered by the Council Decision establishing a Civil Protection Financial Instrument. However, training will be used to promote coherence between the various expert missions that the EU and international partners may launch in response to a crisis.

¹⁷ This work will be closely co-ordinated with the work of ECHO and UNOCHA, which have established methodologies for humanitarian needs assessment. ECHO also conducts some short-term reconstruction work, primarily to ensure humanitarian access.

replace the existing structures for dialogue with regional and sub-regional organisations. Instead it will focus on the Commission's implementing partners, which represent a deep reserve of technical expertise. The Peace-building Partnership is designed to ensure that Community funding is accompanied by a sustained dialogue with such partners on sectoral policy issues, that collaborative working practices are stimulated, and that there is improved coordination between the Community and its Member States in crisis situations. It will not duplicate existing arrangements in which the Community and Member States participate, such as in the OECD Development Assistance Committee.

The Peacebuilding Partnership will in particular **consist of**:

- strengthened cooperation with the specialised aid agencies of the Member States, in particular through regular technical meetings on best practice and the establishment of a system for the exchange of information, as required under Article 2(3) of the Instrument for Stability;
- a broad-based network of specialised European NGOs with expertise in early warning, conflict prevention, peacebuilding and post-conflict and post-disaster recovery. Particular attention will be given to ensuring that NGOs with strong grass-roots links in third countries are adequately represented. The network will be an important interlocutor with the Commission in policy development and in the identification of expertise in these fields;
- financial support to build capacity amongst non-state actors, regional and sub-regional organisations and networks with operational or policy experience in the above fields; and
- arrangements with specialised NGOs allowing the Community to mobilise rapid support for peace-building and early recovery assistance in crisis situations.
- Development of close operational cooperation with the UN, International Financing Institutions and relevant regional or sub-regional organisations, in particular in the areas of early warning, situational awareness during a crisis, and the organisation of joint post-crisis needs assessments and recovery planning.

Any work with regional or sub-regional organisations will be conducted in a manner to ensure complementarity with cooperation planned under the EDF and other long-term Community financing instruments. The Commission will take particular account of key regional strategies, such as the peace and security provisions of the EU Strategy for Africa.

The Commission will also take account of best practices developed by the UN, the World Bank and the OECD Development Assistance Committee (including its internationally accepted definitions of Official Development Assistance). It will work within existing multi-lateral frameworks for co-operation on crisis prevention and response, where these exist.

The establishment of the Peacebuilding Partnership responds to the commitment made by the Commission to the European Parliament to strengthen its support for civilian peacebuilding. The Commission intends to develop the Peacebuilding Partnership as the concrete follow-up to the 'Preparatory Action' to establish the

Conflict Prevention Network voted by the European Parliament under the 2007 Budget.

4. FINANCING

Long-term measures under the Instrument for Stability are designed to complement, but not substitute for, initiatives funded from country and regional programmes under the four main geographic policy instruments. The complementary nature of the Instrument is reflected in the funding allocated to it in the current Financial Perspective. This is illustrated below.

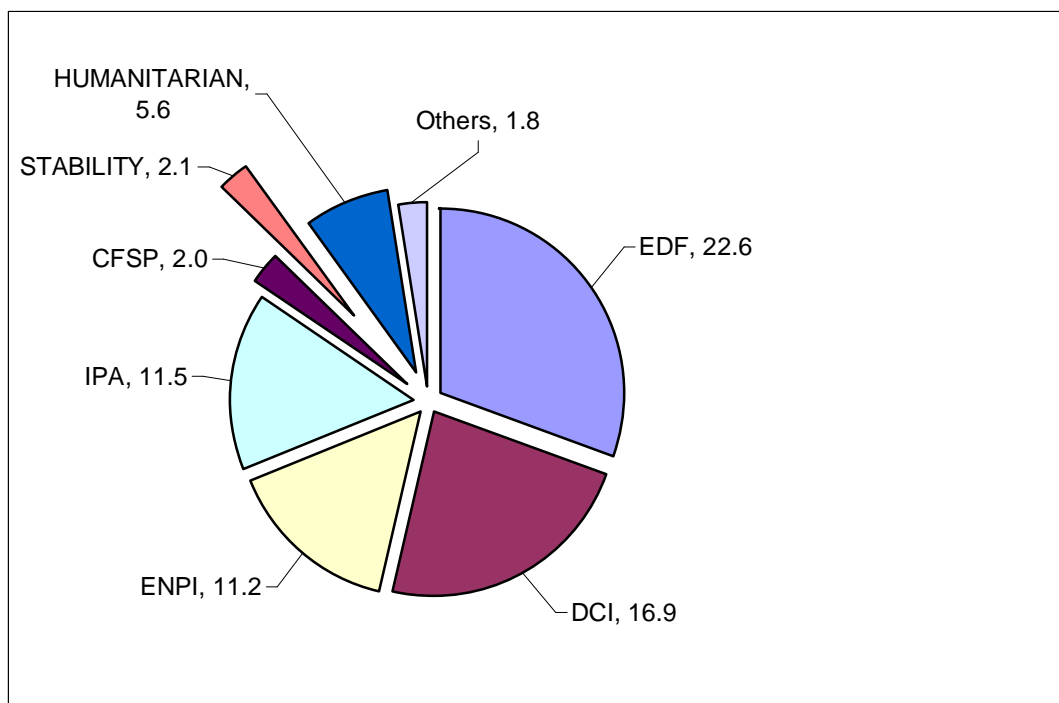


Figure 1. Funding allocations current prices 2007-2013 (€billion) (EDF figures relate to 2008-2013)

The Regulation establishing the Instrument for Stability sets a financial reference amount of €2.062 billion over the seven years 2007-2013. Under the terms of the Regulation, a maximum of 15% of the funding over this seven-year period may be used to address non-proliferation measures, a maximum of 7% for trans-regional threats to security, and a maximum of 5% for crisis preparedness measures. These thresholds reflect the intention of the Council and European Parliament that the Instrument for Stability should primarily be an instrument for crisis response, and that long-term measures under this Instrument should not be a substitute for those that could be more effectively delivered under country or regional strategies funded from the main geographic financing instruments. However, the Stability Instrument is the sole Community instrument that can directly address issues relating to the risks presented by the weaponisation of chemical, biological, radiological and nuclear agents.

As the external actions area operates with a high degree of uncertainty and unpredictability, the Commission has sought in its financial programming 2007-2013 for Chapter 4 to establish a sufficient margin for cases of unexpected crises arising. In duly justified cases the Commission might also propose recourse to Emergency Aid Reserve pending the decision of the Budgetary Authority. Moreover, the Commission has sought to respect this concern in its financial planning over the next seven years by setting the total amount available for long-term measures slightly below the maximum thresholds permitted by the Regulation.

	2007-2013 €million	%
Crisis response and preparedness	1 587	77
<i>...of which preparedness</i>	<i>100</i>	<i>5</i>
Non-proliferation of WMD	266	13
Trans-regional threats to security	118	6
Administrative expenditure	91	4
Total	2 062	100

Figure 2. Instrument for Stability budget breakdown 2007-2013

These figures, and the ceilings, will be reviewed as part of the mid-term evaluation of the Regulation planned for 2009/10.

**ANNEX I: JOINT COUNCIL / COMMISSION DECLARATION
ON THE CRISIS RESPONSE PROVISIONS OF THE INSTRUMENT FOR STABILITY**

The Council and the Commission recognise that measures taken in pursuit of the development and cooperation policies as defined in the Treaty establishing the European Community and those taken in pursuit of the objectives of the Common Foreign and Security Policy as set out in Title V of the Treaty on European Union may be related and complementary. Both institutions agree that the Stability Instrument does not prejudice action taken by the EU under Title V of the TEU in pursuit of CFSP objectives. Likewise, both institutions recall that such action shall not affect the powers of the Community under the TEC.

The Council and the Commission recognise that an effective and coherent EU response to political crisis, violent conflict or disasters in third countries requires a high degree of political coordination combined with operational flexibility and speed of decision-making. Both institutions underline their political determination to closely cooperate in that regard.

In this regard and in line with Art.3 TEU, particular attention shall be given by the Council and the Commission to ensuring consistency of measures adopted or envisaged under Title V and Title VI TEU and under the Stability instrument respectively. The Council and the Commission agree further to enhance their co-operation at the planning stage of measures coming under their respective competencies and responsibilities, in view of the need to ensure a comprehensive EU approach to situations of crisis or emerging crisis.

The political coordination and consultation will take place in the relevant instances of the Council. The political orientation arrived at in the Council will guide the Commission in its planning and subsequent implementation of measures adopted under the Instrument for Stability. Before adopting Exceptional Assistance Measures, the Commission will seek the views and take due account of any guidance provided by the Council. In this respect, it will provide timely and substantive information about the measures envisaged, in order to allow an informed exchange of views in the Council. Where inconsistencies are identified the Commission and the Council will cooperate closely to resolve them expeditiously.

With regard to the flexibility provision in Art.3(3) of the Stability Instrument the Commission confirms that it will make use of it only in the exceptional and unforeseen circumstances set out in article 3(1). In such cases it will first provide full information to the Council, and will take due account of any guidance provided by the Council on the issue.

The Council and the Commission agree to evaluate their cooperation and the procedures foreseen in this joint declaration in the light of experience.

**ANNEX II: DECLARATION OF THE COMMISSION TO THE EUROPEAN PARLIAMENT
RELATING TO ARTICLE 4.1(A) OF THE INSTRUMENT FOR STABILITY**

The Commission will ensure that measures adopted under article 4.1(a) in relation to the fight against terrorism and organised crime are in accordance with international law. Such measures will be targeted at countries which demonstrate a clear political will to address these problems in a manner which ensures full respect for their international human rights obligations and applicable humanitarian law. The Commission will monitor carefully the implementation of such measures to ensure compliance with these principles.