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Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EU) No 230/2014 of the European Parliament and of the Council  
of 11 March 2014 establishing an instrument contributing to stability and peace**

{SWD(2016) 222 final}  
{SWD(2016) 225 final}

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

This Explanatory Memorandum concerns a legislative proposal for a Regulation amending Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace.

The legislative proposal aims at inserting a new Article into Title II of Regulation (EU) No 230/2014 in order to extend the Union's assistance under exceptional circumstances to be used to build the capacity of military actors in partner countries in order to contribute to sustainable development and in particular the achievement of peaceful and inclusive societies.

- **Reasons for and objectives of the proposal**

The link between security and development has been recognised both at European and at international level.<sup>1</sup> The 2005 *European Consensus on Development* already recognised this link, which is central to maximising the effectiveness of the EU's external action. Supporting partner countries' security systems, as part of a broader reform process to provide effective and accountable security to the State and to individuals, contributes to the EU's objectives of inclusive and sustainable development, state-building and the rule of law. Human security includes people-centred, multi-sectoral, comprehensive, context-specific, and prevention-oriented approaches. This is especially the case when it is clear that without security, access to the people most at risk of being left behind in conflict settings is limited, and effective outcomes of either humanitarian or development work are less likely.

The adoption of the United Nations' (UN) *2030 Agenda for Sustainable Development*<sup>2</sup> and its Sustainable Development Goal<sup>3</sup> (SDG) 16 on 'peace and justice' underlines the importance of promoting peaceful and inclusive societies, the provision of access to justice for all, and building effective, accountable institutions at all levels. SDG 16 emphasises the need to strengthen relevant national institutions, including through international cooperation for building capacity at all levels. In particular in fragile and conflict-affected States, channelling investments in line with development effectiveness principles will help to address the root causes of conflict and fragility. The EU supports the 'New Deal for Engagement in Fragile States'<sup>4</sup> and the emphasis it places on the security-development nexus.

The OECD-DAC<sup>5</sup> revised Reporting Directives on official development assistance (ODA) in the field of peace and security provide greater clarity and further develop the scope of ODA rules for the security sector. They maintain several safeguards, notably the principally civilian nature of ODA, although support to the military can be recognised as ODA in exceptional and clearly delimited circumstances.

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<sup>1</sup> For example, World Bank *World Development Report: Conflict, Security, and Development*, 2011

<sup>2</sup> <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

<sup>3</sup> Sustainable Development Goal 16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

<sup>4</sup> The EU endorsed the New Deal, one of the main building blocks of the 4<sup>th</sup> High Level Forum on Aid Effectiveness in Busan in November 2011 (<http://www.pbsbdialogue.org/en/>)

<sup>5</sup> Organisation for Economic Co-operation and Development – Development Assistance Committee, February 2016

The Joint Communication *Capacity Building in support of Security and Development* (JOIN(2015) 17 final) analysed how EU support to help build the capacities of partners, and thus contribute to stability, security and development, could be improved. The Communication identified gaps in the EU's ability to support building the capacities of partners in the security sector, notwithstanding the multitude of actions, which are already supported, including effective civilian administration and civilian oversight over the security system. The Joint Communication concluded, "there is currently no EU budget instrument designed to provide a comprehensive financing to security capacity building in partner countries, in particular its military component"<sup>6</sup>.

Not addressing critical operational needs of partners hampers the achievement of essential objectives for development, i.e. to foster conditions for peace and human security. The improvement of the functioning of military actors and the strengthening of their governance, particularly in fragile contexts and countries emerging from conflict, contributes to peace, human security, and stability, and thereby to the achievement of the SDGs. The inability to finance capacity building in the security sector (both equipment and training) impinges on partners' ability to fulfil their development needs.

The specific objectives of the proposal are to: i) contribute to improving the capacity of partner countries to prevent and manage crises by themselves; ii) contribute to improving the effectiveness of the Union's development actions by working with all security actors, including the military, through the delivery of capacity building in support of security and development by the EU, as soon as possible, flexibly and comprehensively; and iii) contribute to ensuring the respect of the rule of law, good governance as well as enhanced civilian control and oversight over the military in third countries.

- **Consistency with other Union policies**

The present initiative fits with the ambition to bring together EU tools on major challenges, as outlined in the Joint Communication *The EU's comprehensive approach to external conflict and crisis*<sup>7</sup> and the subsequent Council conclusions<sup>8</sup>.

With regard to the Union's Common Foreign and Security Policy (CFSP), both civilian and military Common Security and Defence Policy (CSDP) missions and operations (and in particular training missions) are an essential component within the EU's comprehensive approach to crisis management in third countries<sup>9</sup> and fulfil the training pillar of capacity building in support of security and development for both defence and civilian security personnel.

Resources for EU CSDP military operations are financed by the participating EU Member States, and through the Athena mechanism<sup>10</sup> designed to manage the financing of common costs relating to EU military operations under the CSDP. These costs concern, *inter alia*,

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<sup>6</sup> JOIN(2015) 17, p. 8.

<sup>7</sup> JOIN(2013) 30 final of 11 December 2013

<sup>8</sup> Council conclusions 9644/14 of 12 May 2014

<sup>9</sup> JOIN(2013) 30 final of 11 December 2013

<sup>10</sup> Article 41 TEU sets the principles for the financing of EU civilian and military crisis management operations. The common costs of such operations are currently covered by Council Decision (CFSP) 2015/528 of 27 March 2015 establishing a mechanism to administer the financing of the common costs of European Union operations having military or defence implications (Athena) and repealing Decision 2011/871/CFSP, OJ L 84, 28.03.2015

headquarters' implementation and running costs, infrastructure, logistics and mission support, but not the costs incurred by a partner country supported through a mission or operation.

Outside the general budget of the Union, the European Development Fund (EDF) provides financial resources to implement the EU's development cooperation policy with the African, Caribbean and Pacific (ACP) group of states under the Cotonou Partnership Agreement.<sup>11</sup> The African Peace Facility<sup>12</sup> (APF) was set up in 2003 under the EDF and is to date the most far-reaching instrument to address the security-development nexus, also providing support to military activities. Nonetheless, the APF is subject to a number of limitations, notably in its geographical and exclusively regional coverage, which prevents the global use of this Facility at national level.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

### **• Legal basis**

The legal basis of this legislative proposal is Article 209(1) and Article 212(2) of the TFEU.

Considering the broad scope of development cooperation<sup>13</sup>, the financing of capacity building (training and equipment support) in the security sector on the basis of Article 209/212 TFEU is not *per se* excluded only because of the military nature of the beneficiary.<sup>14</sup> Taking into account the objectives of the Union's development cooperation, i.e. to contribute to the pursuit of the sustainable development of developing countries, financing of the military is possible under exceptional circumstances (see also at point 5 below on the detailed explanation).

### **• Subsidiarity and proportionality**

The proposed Regulation complies with the subsidiarity principle and with the principle of proportionality as set in Article 5 TEU.

EU action is necessary and justified both on the grounds of the objectives laid down in the Treaty and on the subsidiarity principle. Comprehensive and flexible EU support to the security sector would have the added value of allowing short- and longer-term actions to bring on board all security actors in a country, and would allow for better coordination of such support. Interventions at EU level can better achieve security and stability and act as a driver for more effective international efforts around security and development.

### **• Choice of the instrument**

The proposed legislative proposal takes the form of a Regulation amending an existing legal act.

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<sup>11</sup> *Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States of the other part*, signed in Cotonou on 23.6.2000, revised in Luxembourg on 25.6.2005, revised in Ouagadougou on 22.6.2010

<sup>12</sup> Article 11 of the Cotonou Partnership Agreement on "Peace building policies, conflict prevention and resolution" and the relevant Council conclusions provide the legal basis for the APF; Decision No 3/2003 of the ACP-EC Council of Ministers of 11 December 2003 on the use of resources from the long-term development envelope of the 9th EDF for the creation of a Peace Facility for Africa, OJ L 345, 31.12.2003

<sup>13</sup> C-377/12, *European Commission v Council (PCA Philippines)*, paragraph 37

<sup>14</sup> See also JOIN (2015) 17, p. 7; and above OECD/DAC Reporting Directives in the field of peace and security

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Stakeholder consultations**

The online public consultation to gather views from the public was launched on 1 April and ended on 27 May 2016. In total, 78 responses were received, the majority from private citizens. A number of Member States (the Czech Republic, Finland, France, Germany, Italy, Luxemburg, the Netherlands, Portugal, and Spain) provided their input to the initiative in the form of a non-paper issued on 15 April 2016.

Overall, the responses indicated a large support of the three main principles underpinning the initiative, namely: i) an effective, legitimate and accountable security sector in partner countries could contribute to peace, human security and sustainable development; ii) the security development nexus should be better integrated in EU support strategies in order to better contribute to sustainable development in partner countries, and iii) strengthening the governance of military actors, particularly in fragile countries and countries emerging from conflict, could lead to stability and the achievement of sustainable development goals.

- **Impact assessment**

The proposed legislative proposal is supported by an impact assessment. The impact assessment report examines different policy options to meet the specific objectives and assesses options outside the general budget of the Union and within the general budget of the Union.

The impact assessment concludes that an amendment of the Instrument contributing to Stability and Peace (IcSP) would be, in view of the objectives, the timing, the geographical coverage, and flexibility in its implementation as a crisis instrument, the most appropriate and effective short-term option. The impact assessment also explains that a comprehensive implementation of the CBSD initiative (i.e. including support to the military for defence-related purposes) would require combining a budgetary instrument (for development tasks) with another, possibly extra-budgetary, mechanism.

#### **Fundamental rights**

The legislative proposal will ensure that assistance measures under the new provisions in relation to capacity building in support of security and development will be implemented in accordance with international law, including international humanitarian law. The Commission will monitor the implementation of these assistance measures in order to ensure compliance with human rights obligations.

### **4. BUDGETARY IMPLICATIONS**

In terms of cost, a budget of EUR 100 000 000 over the period 2017-2020 would be required. The initiative will be financed through redeployment within Heading IV of the general budget of the Union. No additional resources would be mobilised. Implementation will be governed by Regulation (EU) No 236/2014<sup>15</sup>.

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<sup>15</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external actions, OJ L 77, 15.3.2014, p. 95.

## 5. OTHER ELEMENTS

### • **Implementation plans and monitoring, evaluation and reporting arrangements**

Monitoring and evaluation modalities are laid down in Articles 12 and 13 of Regulation (EU) No 236/2014 that applies to all EU external financing instruments, including the IcSP, which is the preferred option. Reporting modalities are also foreseen in that Regulation.

### • **Detailed explanation of the specific provisions of the proposal**

This section provides a detailed commentary illustrating the main provisions introduced by the proposed Regulation to amend Regulation (EU) No 230/2014 establishing an instrument contributing to stability and peace.

#### (1) Subject matter and objectives (Article 1, Title I, General Provisions)

The purpose of the change in Article 1(2) is to include assistance to security actors, including military actors, within the scope of the Regulation. Assistance may be provided under the exceptional circumstances described below (see point 2) in the context of a wider security sector reform process and/or within capacity building in support of security and development in line with the overarching objective of achieving sustainable development.

#### (2) Capacity building in support of security and development (Article 3a, Title II, Types of Union Assistance)

The proposed Article 3a provides in its first paragraph that Union assistance may be used to build the capacity of military actors in partner countries under exceptional circumstances, in order to contribute to sustainable development and in particular to the achievement of stable, peaceful and inclusive societies. The achievement of stable, peaceful and inclusive societies alludes to Sustainable Development Goal (SDG) 16 on ‘peace and justice’, which underlines the importance of promoting peaceful and inclusive societies, the provision of access to justice for all, and building effective, accountable institutions at all levels. SDG 16 emphasises the need to strengthen relevant national institutions, including through international cooperation for building capacity at all levels, in particular in developing countries, to, *inter alia*, prevent violence, and combat terrorism and crime. The exceptional circumstances referred to in paragraph 1 are further defined in paragraph 3 of the new Article 3a.

In its paragraph 2, Article 3a illustrates the type of activities that may be supported, i.e.: capacity building programmes in support of security and development, including training, mentoring and advice, as well as the provision of equipment, infrastructure improvements and provision of other services.

In its paragraph 3, Article 3a further describes the exceptional circumstances mentioned in paragraph 1 under which assistance shall be provided. Paragraph 3 lit. a) and lit. b) are to be read in a cumulative way. Paragraph 3 lit. a) requires that military actors are only financed when the requirements cannot be met by recourse to non-military actors to adequately reach the Union objectives under Regulation (EU) No 230/2014 and the premise of the achievement of stable, peaceful and inclusive societies is denied by a serious threat to the existence of functioning State institutions or State institutions can no longer cope with this serious threat (e.g. have collapsed). Paragraph 3 lit. b) requires that a consensus exists among the international community and/or the Union and the country concerned that the security sector, and in particular the military, are key for stability, peace and development, particularly in crises and fragile contexts. This may take the form of a UN Security Council Resolution or a programming document, which was agreed between the Union and other international partners (e.g. the country compact for Somalia) or the Union is engaged under Title V TEU.

Paragraph 4 of Article 3a outlines the limitations to Union assistance under this new Article, excluding: recurrent military expenditure, the procurement of arms and ammunition as well as training which is solely designed to contribute to the fighting capacity of the armed forces.

Paragraph 5 of Article 3a contains the general principles that must inform assistance under this Article which are: ownership by the partner country; need to develop the elements and the good practices required for ensuring sustainability in the medium and long term as well as to promote the rule of law and established international law principles.

Lastly, paragraph 6 of Article 3a calls for the establishment of risk assessment, monitoring and evaluation procedures relating to the assistance measures provided under the new Article.

- (3) Exceptional measures and interim programmes (Article 7, Title III, Programming and Implementation)

Article 7(1) is amended to include a cross reference to new Article 3a specifying that Union assistance under new Article 3a may be provided through exceptional assistance measures and interim response programmes.

- (4) Thematic strategy papers and multiannual indicative programmes (Article 8, Title III, Programming and Implementation)

Article 8(1) is amended to include a cross reference to new Article 3a specifying that Union assistance under new Article 3a can be provided through thematic strategy papers.

- (5) Human Rights (Article 10, Title III, Programming and Implementation)

Article 10(1) is amended to extend the obligation to implement assistance measures in accordance with international law, including international humanitarian law, to CBSD-related assistance measures under the new proposed Article 3a.

- (6) Financial envelope (Article 13, Title IV, Final Provisions)

Article 13(1) increases the financial envelope for the implementation of the Regulation by EUR 100 000 000, thus the financial envelope of the IcSP shall be EUR 2 438 719 000. As concerns the subdivision provided for in Article 13(3), this shall remain intact, in order to allow CBSD-related actions to take place under different articles and be financed under different budget lines.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209(1) and 212(2) thereof,

Having regard to the proposal from the European Commission,

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

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The 2005 European Consensus on Development recognised the link between security and development.<sup>16</sup>
- (2) The United Nations' 2030 Agenda for Sustainable Development, adopted in September 2015, underlines the importance of promoting peaceful and inclusive societies both as a Sustainable Development Goal (SDG 16) and in order to achieve other development policy outcomes. SDG 16.a specifically requests to “strengthen relevant national institutions, including through international cooperation, for building capacities at all levels, in particular in developing countries, for preventing violence and combatting terrorism and crime”.<sup>17</sup>
- (3) Supporting security sector actors, including the military under exceptional circumstances, in third countries in a conflict prevention, crisis management or stabilisation context is essential to ensure appropriate conditions for poverty eradication and development. Those actions are particularly necessary to ensure the protection of civilian populations in the areas affected by conflict, crises or fragility. Good governance and effective democratic control and civilian oversight of the security system, including the military, as well as compliance with human rights and the rule of law principles are essential attributes of a well-functioning State in any context, and should be promoted through a wider security sector reform support to third countries.
- (4) The European Council conclusions of 19/20 December 2013 emphasised the importance of supporting partner countries and regional organisations, through providing training, advice, equipment and resources where appropriate, so that they can increasingly prevent or manage crises by themselves.

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<sup>16</sup> Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy entitled “The European Consensus”, Official Journal, C 46 of 24.2.2006

<sup>17</sup> United Nations, A/RES/70/1, Resolution adopted by the General Assembly on 25 September 2015



- (5) In the Joint Communication entitled ‘Capacity building in support of security and development – Enabling partners to prevent and manage crisis’, the Commission and the High Representative of the Union for Foreign Affairs and Security Policy reiterated the need for stable and secure societies in order to achieve development objectives.<sup>18</sup>
- (6) The Council conclusions on Common Security and Defence Policy (CSDP) of 18 May 2015 called to explore options to enhance coherence and coordination between EU security and development actions, as well as to improve the delivery of capacity building in support of security and development, notably in terms of financing instruments.<sup>19</sup> They also invited to develop an EU-wide strategic framework for Security Sector Reform, bringing together CSDP and all other relevant Common Foreign and Security Policy (CFSP) tools as well as development cooperation instruments and freedom, security and justice actors.
- (7) Regulation (EU) No 230/2014 should therefore be amended accordingly.

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

Regulation (EU) No 230/2014 is amended as follows:

(1) In Article 1(2) the following sub-paragraph is added:

“Where Union assistance is provided to the security sector actors, this may also include military actors under exceptional circumstances as provided for in Article 3a, in particular in the context of a wider security sector reform process and/or capacity building in support of security and development in third countries, in line with the overarching objective of achieving sustainable development.”

(2) The following Article 3a is inserted:

#### *“Article 3a*

Capacity building in support of security and development

1. In order to contribute to sustainable development and in particular the achievement of stable, peaceful and inclusive societies, Union assistance under this Regulation may be used to build the capacity of military actors in partner countries, under the exceptional circumstances as set out in paragraph 3 of this Article.

2. Assistance may cover in particular the provision of capacity building programmes in support of security and development, including training, mentoring and advice, as well as the provision of equipment, infrastructure improvements and provision of other services.

3. Assistance pursuant to this Article shall only be provided:

(a) where requirements cannot be met by recourse to non-military actors to adequately reach Union objectives under this Regulation and the premise of the achievement of stable, peaceful and inclusive societies is denied by a serious threat to the existence of functioning State institutions, as well as to the protection of human rights and fundamental freedoms, or State institutions can no longer cope with this serious threat; and

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<sup>18</sup> JOIN(2015) 17 final of 28 April 2015

<sup>19</sup> Foreign Affairs Council (Defence formation) conclusions on CSDP, document 8971/15 of 18 May 2015

(b) where a consensus exists between the country concerned and the international community and/or the European Union that the security sector, and in particular the military, are key for stability, peace and development, particularly in crises and fragile contexts and situations.

4. Union assistance shall not be used to finance:

- (a) recurrent military expenditure;
- (b) the procurement of arms and ammunition;
- (c) training which is solely designed to contribute to the fighting capacity of the armed forces.

5. When designing and implementing measures pursuant to this Article, the Commission shall promote ownership by the partner country. It shall also develop the necessary elements and the good practices required for ensuring sustainability in the medium and long term and promote the rule of law and established international law principles.

6. The Commission shall establish appropriate risk assessment, monitoring and evaluation procedures for measures pursuant to this Article.”

(3) In Article 7, paragraph (1) is replaced by the following:

“1. Union assistance pursuant to Article 3, and to Article 3a as appropriate, shall be provided through exceptional assistance measures and interim response programmes.”

(4) In Article 8, paragraph (1) is replaced by the following:

“1. Thematic strategy papers shall constitute the general basis for the implementation of assistance pursuant to Articles 4 and 5, and to Article 3a as appropriate. Thematic strategy papers shall provide a framework for cooperation between the Union and the partner countries or regions concerned.”

(5) In Article 10, paragraph (1) is replaced by the following:

“1. The Commission shall ensure that measures adopted under this Regulation in relation to the fight against terrorism and organised crime, as well as measures covered under Article 3a, are implemented in accordance with international law, including international humanitarian law.”

(6) In paragraph 1 of Article 13:

The number ‘2 338 719 000’ is replaced by ‘2 438 719 000’.

## *Article 2*

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

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

Done at Strasbourg,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## LEGISLATIVE FINANCIAL STATEMENT

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

### **2. MANAGEMENT MEASURES**

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

### **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
  - 3.2.1. *Summary of estimated impact on expenditure*
  - 3.2.2. *Estimated impact on operational appropriations*
  - 3.2.3. *Estimated impact on appropriations of an administrative nature*
  - 3.2.4. *Compatibility with the current multiannual financial framework*
  - 3.2.5. *Third-party contributions*
- 3.3. Estimated impact on revenue

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

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amending Regulation (EU) No 230/2014 of the European Parliament and of the Council establishing an instrument contributing to stability and peace

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>20</sup>

Two policy areas are concerned:  
Title 19: Foreign Policy Instruments  
Activity 19 02: Instrument contributing to Stability and Peace (IcSP) - Crisis response, conflict prevention, peace-building and crisis preparedness  
Title 21: International Cooperation and Development  
Activity 21 05: Instrument contributing to Stability and Peace (IcSP) - Global and trans-regional and emerging threats  
The titles of these budget chapters correspond to the current structure of the financial instruments 2014-2020. It is proposed to keep the same activities and titles.

#### 1.3. Nature of the proposal/initiative

- The proposal/initiative relates to **a new action**
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**<sup>21</sup>
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

#### 1.4. Objective(s)

##### 1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

The proposal targets Strategic Objective 9 – the EU as Stronger Global Actor – of President Juncker's Political Guidelines.<sup>22</sup> More specifically, it seeks to address the EU's need for a stronger Europe when it comes to foreign policy to better contribute to supporting development and securing peace and prosperity in the world.

Consequently, the 2016 Commission Work Programme, adopted on 27 October 2015<sup>23</sup> included in its Annex I a “possible dedicated instrument for capacity building in support of security and development in partner countries” (item 21).

<sup>20</sup> ABM: activity-based management; ABB: activity-based budgeting.  
<sup>21</sup> As referred to in Article 54(2) (a) or (b) of the Financial Regulation.  
<sup>22</sup> [http://ec.europa.eu/priorities/docs/pg\\_en.pdf](http://ec.europa.eu/priorities/docs/pg_en.pdf)  
<sup>23</sup> COM(2015) 610 final

The general objectives of the initiative are those set out in Articles 21 of the Treaty on European Union (TEU) and in Article 208 of the Treaty on the Functioning of the European Union (TFEU) in particular to:

- contribute to preserve peace, prevent conflicts and strengthen international security, in accordance with the purposes and principles of the United Nations Charter;
- foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty, whilst complying with the commitments and taking account of the objectives approved in the context of the United Nations and other competent international organisations.

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

The Capacity building in support of security and development (CBSD) initiative will be implemented under the existing IcSP Regulation (EU) No 230/2014 and will as such contribute to the aims set out in its Article 1(1) which is to provide “direct support for the Union’s external policies by increasing the efficiency and coherence of the Union’s actions in the areas of crisis response, conflict prevention, peace-building and crisis preparedness, and in addressing global and trans-regional threats”.

More specifically, the objectives of this proposal will be to:

- contribute to improving the capacity of partner countries to prevent and manage crises by themselves;
- contribute to improving the effectiveness of the Union’s development actions by working with all security actors, including the military, through the delivery of capacity building in support of security and development by the EU, as soon as possible, flexibly and comprehensively; and
- contribute to ensuring the respect of the rule of law, good governance, as well as enhanced civilian control and oversight over the military in third countries.

ABM/ABB activity(ies) concerned:

Activity 19 02: Instrument contributing to Stability and Peace (IcSP) - Crisis response, conflict prevention, peace-building and crisis preparedness

Activity 21 05: Instrument contributing to Stability and Peace (IcSP) – Global and trans-regional and emerging threats

1.4.3. *Expected result(s) and impact*

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

- Improved capacity of partner countries to prevent and manage crises by themselves;
- Improved effectiveness of all actors within partner countries’ security sectors to act in support of greater human security in fragile states or in crisis-prone or post-conflict areas;
- Greater respect of the rule of law, good governance, as well as enhanced civilian control and oversight over the military in third countries;

More stable and secure societies are a precondition for sustainable development and increased wellbeing, thus reducing fragility- and conflict-related pressures. For the countries concerned, the expected long-term economic and developmental impact of this initiative should be considerable.

#### 1.4.4. *Indicators of results and impact*

*Specify the indicators for monitoring implementation of the proposal/initiative.*

The setting-up of new results and impact indicators is work in progress. A broad general indicator of the level of human security (Freedom from Fear) of people living in fragile states or in crisis-prone or post-conflict areas may be appropriate.

The relevant Programme Statement for the IcSP will be complemented to take into account new indicators.

Individual actions shall be related to specific objectives. The actions will also be measured against project-specific indicators.

### **1.5. Grounds for the proposal/initiative**

#### 1.5.1. *Requirement(s) to be met in the short or long term*

This proposal follows up on the Joint Communication from the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy on ‘Capacity building in support of security and development’ (CBSD) of 28 April 2015 (JOIN(2015) 17) and the conclusions of the Foreign Affairs Council (Defence formation) of 18 May 2015 requesting a proposal on how to comprehensively and flexibly support capacity building (training and equipment) of military actors in third countries in the pursuit of EU development cooperation policy goals.

The Joint Communication underlined that improvement, through capacity building in support of security and development, of the functioning of security actors, including military forces, as well as the strengthening of their governance, particularly in fragile countries and countries emerging from conflict, contributes to peace, human security and stability, thereby to the achievement of sustainable development goals. The Joint Communication also supported EU efforts to mainstream conflict prevention in fragile and conflict prone countries while identifying gaps in the EU’s ability to support building the capacities of partners in the security sector.

The European Council conclusions of 25-26 June 2015 recalled the need for “empowering and enabling partners to prevent and manage crises including through concrete projects of capacity building with a flexible geographic scope” echoing earlier European Council Conclusions of 19-20 December 2013 which emphasised “the importance of supporting partner countries and regional organisations, through providing training, advice, equipment and resources where appropriate, so that they can increasingly prevent or manage crises by themselves”.

#### 1.5.2. *Added value of EU involvement*

EU action is necessary and justified on the grounds of the objectives laid down in the Treaty in particular Article 21 TEU and on the subsidiarity principle. A comprehensive and flexible support in capacity building for security and development (CBSD) at EU level would have the benefit of allowing short- and longer-term actions to bring on board all security actors in a country, and would allow for better coordination of such support.

Interventions at EU level can better achieve security and stability and act as a driver for more effective international efforts around security and development. The political objective of delivering security for the EU cannot be achieved without

effective engagement with partner in non-EU countries and international organisations.

The Union's operations and those of the Member States shall complement and reinforce each other in line with Article 212(1) TFEU. The EU and its Member States have a role to play through the comprehensive approach in preventing and managing conflicts and their causes.

### 1.5.3. *Lessons learned from similar experiences in the past*

Future advances in poverty reduction and longer-term gains in sustainable development in the context of achievement of the Sustainable Development Goal 16 (Peace, justice and strong institutions) will greatly depend on the ability to effectively address the roots causes of fragility and notably the lack of security.

A significant part of external assistance programmes funded by the EU's development and technical cooperation instruments already tackles security and development challenges through a multiplicity of channels and different instruments. However, third country partners who have sought support for the provision of capacity building in support of security and development including training or equipment have not always been in a position to receive it as current EU instruments are not geared to flexibly meeting this need.

The Joint Communication identifies a gap in the EU toolbox related to supporting partner countries' military actors in providing the stability needed to enable development activities.

Such a gap affects the efficiency and sustainability of the Union's external action, including its development policy. In a globally deteriorating security environment, the limitations of the current EU toolbox of external action instruments hamper its ability to comprehensively address the issue, improve cooperation, and thus effectively contribute to development efforts.

### 1.5.4. *Compatibility and possible synergy with other appropriate instruments*

The initiative will ensure:

(a) coherence with other EU actions (including CFSP actions) as part of a broader EU comprehensive approach to external conflict and crises;

(b) consistency, coordination and complementarity of the different short-term and long-term capabilities and instruments, based on a common strategic vision.

The different actions under the proposed initiative should be designed in line with the new EU-wide Security Sector Reform (SSR) framework, including monitoring and evaluation principles and a dedicated risk-management framework. Programmes would have to set out how they fit with relevant EU country or regional strategies, and be designed and planned in a manner that ensures involvement of all relevant EU actors.

## 1.6. Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from 01/01/2017 to 31/12/2020
- Financial impact from 2017 to 2020

Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

## 1.7. Management mode(s) planned<sup>24</sup>

**Direct management** by the Commission

- by its departments, including by its staff in the Union delegations;
- by the executive agencies

**Shared management** with the Member States

**Indirect management** by entrusting budget implementation tasks to:

- third countries or the bodies they have designated;
- international organisations and their agencies (to be specified);
- the EIB and the European Investment Fund;
- bodies referred to in Articles 208 and 209 of the Financial Regulation;
- public law bodies;
- bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
- bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
- persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

### Comments

The management rules of Regulation (EU) No 236/2014 of the European Parliament and the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action will apply.

<sup>24</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:  
<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>



## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

*Specify frequency and conditions.*

EU Delegations and Commission services will continuously monitor the implementation of CBSD projects with military actors including through field visits, providing managers valuable information on progress or lack thereof against set objectives while helping to identify/anticipate potential difficulties to take corrective action.

External, independent experts may also be contracted to assess and evaluate the performance of CBSD programmes. These assessments and evaluations, whether internal or external, will contribute to accountability, and to the improvement of ongoing interventions; they will draw lessons from experiences to inform future policies and actions using the internationally recognised OECD-DAC evaluation criteria including (potential) impact.

### 2.2. Management and control system

#### 2.2.1. Risk(s) identified

Risk environment:

Support to military actors in conflict-affected countries entails a wide range of risks (contextual, programmatic, reputational and institutional) that may negatively impact on the effectiveness and sustainability of the CBSD support. The possible misuse of the equipment provided, that in extremis could be used by local forces to ends that could lead to serious human rights violations and/or transferred to unfriendly actors, (e.g. non-state armed groups that seize the equipment) needs special attention during project design and during project implementation through close monitoring arrangements. The exclusion of lethal equipment offers some guarantees against misuse of the assistance; however, non-lethal military equipment could be misused from an international humanitarian law perspective.

Mitigation of risks:

CBSD measures will exclude the funding of weapons and ammunition which will limit the risks inherent to a potential misuse of equipment.

Furthermore, in order to mitigate possible risks and in accordance with the Joint Communication that called for the development of risk management methodology on EU support to the security sector of partner countries or organisations, a specific risk-assessment will be mandatory for all CBSD programmes designed to cooperate with the military of third partner countries. Risks will also be continuously monitored during the implementation of the projects.

Specific risk-assessment and monitoring modalities are being developed in the context of the SSR policy framework.

Lessons learned from experiences with regard to budget support risk management frameworks as well as emerging practice of CSDP mission performance benchmarks will all be valuable contributions to this exercise.

Specific risk-assessment modalities applicable to CBSD may include but are not limited to:

- Conflict Risk Assessments (based on structural risk tools such as the GCRI (Global Conflict Risk Index) developed by the JRC) and
- Conflict Analysis Frameworks to develop a shared understanding and regular monitoring of the situation by humanitarian-development-security actors.

The commitment to ensure the transparency and impact of peace and security spending and tracking its contribution to achieve SDG 16 targets can address what some stakeholders may perceive as the risk of ‘securitisation of development’.

As part of the above risk mitigation measures, EU support to CBSD should also be based on context analysis/conflict and be conflict sensitive (context-specific analysis). The ‘do-no-harm’ principle will be a key underlying principle for CBSD. An in-depth analysis of the political and security situation of the country concerned and potential associated risks would have to take place in a timely manner with a view to determine the Union’s ability to assist i.e. to avoid misuse of the support. EU Delegations will be involved in carrying out the relevant assessments. These assessments will cover, *inter alia*, resource implications, stock-taking of other actors’ efforts; planned assistance to engage in capacity building efforts; an assessment of the specific needs of the country as well as objectives and benchmarks to monitor progress. Other important aspects such as local ownership by the partner country, absorption capacity, and sustainability in the medium and long-term as well as articulation with longer-term broader SSR programmes in the governance sector would be part of that context-specific analysis.

#### 2.2.2. *Information concerning the internal control system set up*

##### FPI/DEVCO Internal Control architecture

FPI/DEVCO’s internal control / management process is designed to provide reasonable assurance regarding the sound financial management of its operations, the reliability of its financial reporting and compliance with the relevant legislative and procedural framework.

##### Effectiveness, efficiency and economy

To ensure that the principles of sound financial management are respected (and to mitigate the high level of risk in its external aid environment), in addition to all the elements of the Commission Strategic Planning and Programming process, internal audit environment and requirements of the Commission’s Internal Control Principles, FPI/DEVCO will continue to tailor its control environment which include:

- A devolved management of the projects by EU Delegations in the field when appropriate;
- Clear and formalised lines of financial accountability (from the Delegated Authorising officer) by means of a sub-delegation to the respective Head of Unit or Head of Delegation;
- Regular reporting from EU Delegations to headquarters (External Assistance Management Reports for DEVCO and sub-delegated authorising officer reports for FPI), including an annual Statement of Assurance by the Head of Delegation;
- Provision of a substantial programme of training for staff both at headquarters and in EU Delegations;
- Significant headquarters/EU Delegation support and guidance;

- Regular ‘verification/supervision’ missions to ‘devolved’ EU Delegations;
- A project and programme cycle management methodology including:
  - a) where appropriate, quality support tools for the design of the intervention, its delivery method, financing mechanism, management system, assessment and selection of any implementing partners;
  - b) programme and project management, monitoring and reporting tools for effective implementation including regular external on-the-spot monitoring of projects;
  - c) evaluation and audit components.

#### Financial Reporting and Accounting

FPI/DEVCO will continue to pursue the highest standards of accounting and financial reporting using the Commission’s accruals based accounting system (ABAC) as well as external aid specific tools.

#### 2.2.3. *Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error*

The compliance objective for the instrument is to maintain the historic level of risk of non-compliance (error rate) for FPI/DEVCO portfolio which is a residual ‘net’ level of error (on a multi-annual basis after all planned controls and corrections have been executed on closed contracts) of less than 2%.

This has traditionally implied an estimated error range of 2-5% in terms of an annual randomised sample of transactions undertaken by the European Court of Auditors for the purposes of the annual Statement of Assurance (DAS).

FPI/DEVCO considers this to be the lowest risk of non-compliance achievable in relation to its high-risk environment and taking into account the administrative burden and necessary cost effectiveness of compliance controls.

### 2.3. **Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures.*

#### Preventive measures for irregularities

Given the risk environment of CBSD, the control systems need to anticipate potential compliance errors (irregularities) in transactions and to build in a high level of prevention, detection and correction controls as early as possible in the payment process. This means in practice that FPI/DEVCO compliance controls will place most reliance on significant ex-ante checks by both external auditors and Commission staff in the field before final project payments (while still executing some ex-post audits and checks), going well beyond the financial safeguards required by the Financial Regulation.

FPI/DEVCO compliance framework is made up *inter alia* of the following significant components:

#### Preventive measures for fraud

- Provision of specific guidance including the Practical Guide to Contracts (PRAG), the DEVCO Companion and the Financial Management Toolkit (for implementing partners) where applicable.

- Compulsory core training covering fraud prevention and detection issues for aid management staff (project managers, financial officers, and ex-post control staff/auditors) in the headquarters and in EU Delegations, in line with the Anti-fraud Strategy for EU External Relations and with the specific anti-fraud strategies of both FPI and DEVCO. The Anti-fraud Strategy for EU External Relations covers the activities of both the European External Action Service (EEAS) and relevant Commission services of the external relations family (DEVCO, FPI, NEAR), with particular attention to activities carried out by the EU Delegations.
- Ex-ante assessment to ensure that appropriate anti-fraud measures to prevent and detect fraud in the management of EU funds are in place in the authorities managing the relevant funds (under both direct management and indirect management).
- Ex-ante screening of the anti-fraud mechanisms available in the partner country (and/or international organisation) as part of the assessment of the eligibility criterion of public finance management for receiving budget support (i.e. active commitment to fight fraud and corruption, adequate inspection authorities, sufficient judicial capacity and efficient response and sanction mechanisms).
- The Commission signed the International Aid Transparency Initiative (IATI) in Accra in 2008, agreeing on a standard for aid transparency, which ensures more timely, detailed, and regular data on aid flows and documents. It has been working on implementing and applying IATI standards for publishing aid information since October 2011.
- In addition, the Commission works in cooperation with the EU Member States on a joint web-based IT application called EU Aid Explorer, which transforms the EU aid data provided through the IATI and other sources into user-friendly aid information.
- In 2015, OLAF signed 5 new administrative cooperation arrangements with international organisations (European Bank for Reconstruction and Development, Inter-American Bank, Organisation for Economic Co-operation and Development, World Food Programme and the UN Office for Project Services). OLAF also cooperates with the equivalent anti-fraud agencies of the United Nations, the World Bank and other international organisations. OLAF also works with EUROPOL and EUROJUST. OLAF also establishes, on a continuous or ad hoc basis as appropriate, relationships with non EU-country authorities, which are necessary to investigate fraud against EU budget (mainly EU funds spent on external aid). In 2015, OLAF concluded administrative arrangements with partner authorities in Angola, Moldova, and Senegal.

#### Detective and corrective measures for irregularities and fraud

- External audits and verifications (both mandatory and risk based) including the European Court of Auditors;
- Retrospective checks (on a risk basis) and recoveries;
- Suspension of EU funding where there is a serious fraud case, including large scale corruption, until the authorities have taken appropriate action with a view to correcting and preventing such fraud in the future.

- FPI/DEVCO will further devise their anti-fraud strategy in line with the Commission's Anti-fraud strategy for EU External Relations ("Umbrella AFS") approved in 2013. FPI and DEVCO implement the strategy concentrating on three strategic objectives:

- To raise general awareness of staff concerning fraud prevention and detection, especially fraud prevention and detection during the preparation and implementation of grants and procurement contracts.

- To improve capacities of FPI and DEVCO staff to effectively tackle internal and external fraud by using anti-fraud tools.

- To improve reaction to suspected fraud and time-efficiency in the recovering sums unduly spent. To improve reaction to suspected fraud and time-efficiency in the recovering sums unduly spent.

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number Description	Diff./Non-diff. <sup>25</sup>	from EFTA countries <sup>26</sup>	from candidate countries <sup>27</sup>	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
IV	<p><b>19 02 - Instrument contributing to Stability and Peace (IcSP) – Crisis response, conflict prevention, peace-building and crisis preparedness</b></p> <p>19 02 01 Response to crisis and emerging crisis</p> <p>19 02 02 Support to conflict-prevention, peace-building and crisis preparedness</p> <p><b>19 01 Administrative expenditure of the "Foreign policy instruments" policy area</b></p> <p>19 01 04 01 Support expenditure for Instrument contributing to Stability and Peace (IcSP)</p> <p><b>21 05 Instrument contributing to Stability and Peace (IcSP) – Global and trans-regional emerging threats</b></p> <p>21 05 01 Global and trans-regional and emerging threats</p> <p><b>21 01 Administrative expenditure of the "International cooperation and development" policy area</b></p>					/

<sup>25</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations

<sup>26</sup> EFTA: European Free Trade Association

<sup>27</sup> Candidate countries and, where applicable, potential candidates from the Western Balkans.

	21 01 04 04 Support expenditure for the Instrument contributing to Stability and Peace (IcSP)					
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### 3.2. Estimated impact on expenditure

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	Heading 4 Global Europe							TOTAL
				Year 2018	Year 2019	Year 2020	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
DG: FPI/DEVCO									
• Operational appropriations									
Number of budget line 19 02 01	Commitments	(1)	6.600	20.400	20.350	20.700			<b>68.050</b>
	Payments	(2)	0	10.000	15.000	20.000			<b>45.000</b>
Number of budget line 19 02 02	Commitments	(1a)	0.608	2.678	2.528	2.177			<b>7.990</b>
	Payments	(2a)	0	1.000	2.000	2.000			<b>5.000</b>
Number of budget line 21 05 01	Commitments	(1b)	2.150	6.250	6.300	6.300			<b>21.000</b>
	Payments	(2b)	0	3.000	4.000	6.000			<b>13.000</b>
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>29</sup>									
Number of budget line 19.01.04.01		(3)	0.643	0.673	0.823	0.823			<b>2.962</b>
		(3a)	0	0	0	0			<b>0.000</b>
<b>TOTAL appropriations for FPI/DEVCO</b>	Commitments	=1+1 a +1b+	10.0	30.0	30.0	30.0			<b>100.000</b>

<sup>28</sup>

Year N is the year in which implementation of the proposal/initiative starts.

<sup>29</sup>

Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

		3							
	Payments	=2+2 a+2b +3+3 a	0	14.0	21.0	28.0			<b>66.600</b>



<b>Heading of multiannual financial framework</b>	<b>5</b>	‘Administrative expenditure’
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EUR million (to three decimal places)

		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			<b>TOTAL</b>
DG: FPI									
• Human resources									
• Other administrative expenditure									
<b>TOTAL FPI</b>									
DG: DEVCO									
• Human resources									

	• Other administrative expenditure								
	<b>TOTAL DG DEVCO</b>								
	<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)	0.946	0.946	0.946	0.946			<b>3.784</b>

EUR million (to three decimal places)

		Year N <sup>30</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
	<b>TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework</b>								

<sup>30</sup>

Year N is the year in which implementation of the proposal/initiative starts.


3.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Indicative outputs per objectives:

- Specific objective 1 - Number of estimated response measures in situations of crisis or emerging crisis in a given budgetary year.
- Specific objective 2 - Number of estimated capacity building actions on conflict prevention, peace-building and crisis preparedness in a given budgetary year.
- Specific objective 3 - Number of trained persons and/or equipment bought in a given budgetary year.

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year 2017		Year 2018		Year 2019		Year 2020		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL		
	OUTPUTS																		
	Type <sup>31</sup>	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost	
SPECIFIC OBJECTIVE No 1 <sup>32</sup>																			
<b>Budget line 19 02 01</b>																			
- Output																			
- Output																			
- Output																			

<sup>31</sup> Outputs are products and services to be supplied.

<sup>32</sup> As described in point 1.4.2. ‘Specific objective(s)...’

Subtotal for specific objective No 1			6.6		20.4		20.4		20.7									68.1
SPECIFIC OBJECTIVE No 2 ... <b>Budget line 19 02 02</b>																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 2		1	0.6	1	2.7	1	2.5	1	2.2									8.0
SPECIFIC OBJECTIVE N° 3 <b>Budget line 21 05 01</b>																		
- Output																		
- Output																		
-Output																		
Subtotal for specific objective No 3		1	2.1	1	6.3	1	6.3	1	6.3									21.0
<b>TOTAL COST</b>			10		30		30		30									100

11. Outputs under Specific Objective 1 for BL 19 02 01 are not programmable thus, an output figure would be inappropriate.

### 3.2.3. Estimated impact on appropriations of an administrative nature

#### 3.2.3.1. Summary

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year N <sup>33</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
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<b>HEADING 5 of the multiannual financial framework</b>								
Human resources	0.886	0.886	0.886	0.886				<b>3.544</b>
Other administrative expenditure	0.060	0.060	0.060	0.060				<b>0.240</b>
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	<b>0.946</b>	<b>0.946</b>	<b>0.946</b>	<b>0.946</b>				<b>3.784</b>

<b>Outside HEADING 5<sup>34</sup> of the multiannual financial framework</b>								
Human resources BL 19 01 04 01 *	0.448	0.448	0.448	0.448				<b>1.792</b>
Other expenditure of an administrative nature	0.195	0.225	0.375	0.375				<b>1.170</b>
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>	<b>0.643</b>	<b>0.673</b>	<b>0.823</b>	<b>0.883</b>				<b>3.022</b>

<b>TOTAL</b>	<b>1.589</b>	<b>1.619</b>	<b>1.769</b>	<b>1.829</b>				
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

\* Corresponding to 3 CA posts under FPI budget line

<sup>33</sup>

Year N is the year in which implementation of the proposal/initiative starts.

<sup>34</sup>

Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research

### 3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
<b>• Establishment plan posts (officials and temporary staff)</b>							
19 01 01 01 (Headquarters and Commission's Representation Offices)	4	4	4	4			
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>35</sup></b>							
19 01 02 01 (AC, END, INT from the 'global envelope')	3	3	3	3			
21 01 02 01 (AC, END, INT from the 'global envelope')	2	2	2	2			
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)							
19 01 04 01 <sup>36</sup>	- at Headquarters						
	- in Delegations	3	3	3	3		
XX 01 05 02 (AC, END, INT - Indirect research)							
10 01 05 02 (AC, END, INT - Direct research)							
Other budget lines (specify)							
<b>TOTAL</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>			

19 and 21 are the policy areas or budget titles concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation, which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

<sup>35</sup> AC = Contract Staff; AL = Local Staff; END = Seconded National Expert; INT = agency staff; JED = Junior Experts in Delegations

<sup>36</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines)

Description of tasks to be carried out:

<p>Officials and temporary staff</p>	<p>The human resources for officials (AD) allow for the overall management of the additional commitments and in particular, the sound identification, appraisal, design, contracting, and evaluation of CBSD actions within an enlarged project portfolio and design of specific CBSD risk-assessment modalities (see Section 2.2.1). This cost also involves conducting regular monitoring missions to the field to meet relevant government authorities and ensure upstream local coordination with other actors and donors. It is also expected that CBSD will require close coordination with Council, Parliament, and other stakeholders (including civil society). The CBSD field being a new "territory" for the Commission, it will require specific attention and building ad-hoc expertise, thus being resources-intensive, especially in its building phase.</p> <p>The resources (AST) allow for the contracting and financial management of CBSD actions as well as for conduct of audits and controls, annual reporting (SPP), follow up to EP/Ombudsman questions, financial reporting and oversight of commitments and payments at central level.</p> <p>Additional costs also accrue in relation to other back-office tasks.</p>
<p>External staff</p>	<p>The human resources for external staff (CA) allow for the management and implementation of CBSD projects portfolio managed centrally at headquarters level and/or managed in Delegations. This involves day-to-day project management (operational and financial), coordination with Member States and other actors, regular project monitoring and coordination with EU Delegations where appropriate. Management of evaluations and audits. This task also involves regular field visits missions.</p>



3.2.4. *Compatibility with the current multiannual financial framework*

- The proposal/initiative is compatible the current multiannual financial framework.
- The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

The EUR 100 000 000 necessary for the CBSD action will be redeployed within Heading 4 of the 2014-2020 Multiannual Financial Framework (MFF).

- The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

### 3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
  - on own resources
  - on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>37</sup>							
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			
Article									

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

[...]

<sup>37</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.