

## EaP CSF Position Paper on NDICI

September 2018

The decision on the future of EU funding under the next MFF 2021-2027 for the EU neighbourhood, and Eastern Partnership in particular, is of political nature. [The proposal of the European Commission](#) to combine current 12 EU external action instruments under one roof – **the Neighbourhood, Development, and International Cooperation Instrument (NDICI)**, sends a strong signal to the partner countries and societies in the EU neighbourhood, one that they are not a special category partners who are helping to secure EU's vital interests.

Eastern Partnership Civil Society Forum represents civil society organisations from the EaP region and the EU. In its position paper from March 2018, the Forum advised against establishing the single instrument – NDICI, because of several political and technical concerns in the area of governance and flexibility of the instrument. For the upcoming deliberations in the European Parliament and EU Council on the draft regulation establishing the NDICI, the Forum outlines the following views and recommendations.

### **1. The financial support to the EU neighbourhood should be taken out of the NDICI regulation and the European Neighbourhood Instrument should be re-established on the basis of the existing ENI regulation**

The reference to the European Neighbourhood Policy in the draft regulation is limiting the major policy goals of the EU in the neighbourhood to stabilisation and resilience (Article 19). Given the level of ambitiousness of existing contractual relations with Armenia (CEPA), Georgia, Moldova and Ukraine (AA/DCFTAs), **the EU is running a risk of losing credibility as driver of the complex reform agenda** in the EU neighbourhood. At least three countries from the EaP region have a perspective of association with the Schengen Area and integration into EU Customs Union, EU Energy Union and EU Single Digital Market on the course of the next MFF.

The draft regulation does not mention **Eastern Partnership** policy at all and refers to the partner countries as to the “List of countries and territories in the neighbouring area” (Annex I). **The EU is running a risk of downgrading, damaging, and abandoning EaP policy concept** as a regional tool into which EU has invested lot of financial resources and political capital on the course of the last ten years. Moreover, **the regional policy**

## EaP CSF Position Paper on NDICI

September 2018

**approach facilitates and enhances stability and resilience via strengthening the links among the partner countries** and societies in the EU neighbourhood and across the EU borders.

By not acknowledging the special status of EU neighbourhood, and EaP countries in particular, **the EU is running a risk of scooping out not only the political capital of the democratic elites in the partner countries, but also voluntarily decreases its own political weight in the region.** The change of approach, symbolised by the single instrument – NDICI, will consequently weaken the pro-European political elites, as the level of interest from the EU side will not meet the expectations of the citizens. This, in turn, might lead to the opposite to the instrument's goals – destabilisation and need to invest more in the future, in order to respond to crisis developments.

In reference to the [EURONEST Parliamentary Assembly resolution on the EU Multiannual Financial Framework beyond 2020 and development of the Eastern Partnership plus model](#) from June 2018, the MEPs and MPs from five EaP countries agreed the next MFF should explicitly reflect the strategic priority of supporting EaP partners on their path towards EU integration. The resolution also declared that the single instrument is not fit for that purpose, underlining **NDICI would send a politically wrong and damaging signal to the partner countries in the Eastern neighbourhood.** EURONEST also calls keeping European Neighbourhood Instrument (Point 10 and 12) separate, within the EU external action financing structure.

### **2. The role of civil society, experience from the current MFF period and the established funding modalities are not well reflected in the draft NDICI regulation**

The NDICI draft regulation refers to the EU commitment to support the civil society (Article 24, 25, Title I, Article 3b, etc.) and contains a thematic budget line for supporting civil society. However, **the reference to the role of civil society in achieving the EU goals and serving the societies is rather weak and spelled out mostly in the annexes to the regulation**, which can be amended. In the Eastern Partnership format and in several EaP countries, the civil society has achieved a position of genuine partner of the EU and EaP governments, contributing to the design and implementation of important reform

## EaP CSF Position Paper on NDICI

September 2018

processes and effectively, holding governments accountable. This fact is not adequately reflected in the draft regulation.

There is no reference to the role and state of civil society as one of the “elements” within Chapter II, Specific Provisions for the Neighbourhood that would serve as basis for allocating and programming of EU support in the draft regulation. In the same way, **there is no reference to the existing civil society support programmes, such as Civil Society Facility under current ENI in the draft regulation. There is also no reflection of the well-functioning principle of up to 5% of the bilateral envelopes** that are agreed with partner governments to be dedicated **to civil society support**. Such a reference is completely missing from Annex II, which defines the areas of cooperation for the geographic programmes. Annex II, containing a set of specific items relevant for ENP countries (B. Specific for the Neighbourhood area), omits a specific reference to civil society support as well.

**The role of civil society in programming, monitoring and evaluation of the instrument is not enhanced and does not correspond to the growing engagement and current practice of civil society involvement in policy-making at the EaP multilateral and bilateral level.** The consultations are not compulsory but “where appropriate” (Article 8, General Principles, point 4). There is a need to better equip civil society to hold partner governments accountable effectively over the spending of EU funding. This also applies to new regulations defining EU external action funding under the next MFF, an opportunity which should not be missed.

**The Performance-based approach** (Title II, Chapter 1. Article 17) outlined in draft NDICI regulation should provide extra 10%, on the top of country financial allocations. It embodies the implementation of the “more for more” principle. The allocation shall be decided on the basis of annual assessment of country’s progress towards democracy, human rights, rule of law, cooperation on migration, economic governance and reforms. It is unclear if all criteria will be assessed or one can prevail (cooperation on migration). **The civil society has no explicit role assigned in such annual assessment** and a provision along those lines should be added. It is explicitly mentioned the extra 10% allocated under performance-based approach cannot be used for the civil society support (Title II, Chapter 1. Article 17, point 2) but funding for civil society and actors and

## EaP CSF Position Paper on NDICI

September 2018

measures can be increased, in case of serious deterioration of democracy, rule of law and human rights. **Such an increase is not quantified and should use the same allocated 10% top up, in line with the absorption capacity of the target partner country civil society.**

### **3. The ENI 2.0 should be further enhanced and the current system of ENI governance sustained**

**The ENI budget line was increased in the draft MFF proposal for 2021-2027 to EUR 22 billion, i.e. by 24% comparing to current MFF.** The final allocations are subject to the EU member states deliberations on the MFF package but **such an increase would underline the political importance of the EU neighbourhood and could effectively support the ambitious agenda the EU has in this region.**

The **formula for breakdown of East vs. South neighbourhood allocations** is not codified in the current ENI regulation and is based on the gentlemen's agreement – 1/3 for the Neighbourhood East and 2/3 for the Neighbourhood South in the Council. Although it is a functioning model, **the EaP CSF recommends stipulating this principle in the legal bases of ENI 2.0 and using the established procedures for monitoring and oversight of the implementation of this principle.**

**Specific funding allocation for the 3+1 EaP countries (Armenia, Georgia, Moldova and Ukraine) and for strengthening regional resilience should be added under multi-country programmes within ENI 2.0,** in addition to bilateral envelopes, other multi-country programmes and cross-border cooperation support. Such a tool would support joint projects of the four countries in the areas of enhanced cooperation with the EU.

Single instrument does not automatically bring about smart flexibility, proper governance, programming and complementarity of the existing instruments. Within the Impact Assessment of the draft NDICI, the Regulatory Scrutiny Board requested further clarification of the **governance structure** including information on decision-making procedures of the proposed instrument as well as on funding baseline and the ring-fencing for regions and thematic areas. **The EaP CSF believes the existing governance**

## EaP CSF Position Paper on NDICI

September 2018

**structure of ENI is best equipped to pursue the stated goals of the geographic programmes – EU’s economic and policy interests in all partner countries.** DG NEAR has accumulated a significant implementation practice that could be lost under other internal arrangements. It also bears a symbolic role projecting the importance of the neighbouring partner countries to the EU towards their populations but also towards other actors in the international arena.

### **More Information**

*The Eastern Partnership Civil Society Forum (EaP CSF) is a unique multi-layered regional civil society platform aimed at promoting European integration, facilitating reforms and democratic transformations in the six Eastern Partnership countries - Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Serving as the civil society and people-to-people dimension of the Eastern Partnership, the EaP CSF strives to strengthen civil society in the region, boost pluralism in public discourse and policy making by promoting participatory democracy and fundamental freedoms.*

*For more information, please visit the EaP CSF website at [www.eap-csf.eu](http://www.eap-csf.eu)*