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COMMISSION STAFF WORKING PAPER
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing an Instrument for Stability

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1. PROBLEM DEFINITION

Crises and conflicts affect countries world-wide and pose a risk to global security and stability. Conflicts are often linked to state fragility and exacerbated by weak governance and poverty. Responding to these structural challenges requires a significant collective effort, based on strong partnerships with other states, civil society actors, multilateral and regional partners to create the conditions for supporting countries to avoid the relapse into conflict.

To support countries stricken by political conflicts or natural disasters the EU essentially needs more flexibility, beyond humanitarian and civil protection assistance aiming at saving lives and relief human suffering, to swiftly fill the gaps in crisis response, complement crisis management operations (including those under CFSP) and facilitate a better link between early recovery, reconstruction and longer-term development, as necessary for the lasting stabilization of the countries concerned.

Furthermore, natural or man-made disasters, drug trafficking, organized crime, terrorism, cyber security threats, hamper development, weaken the rule of law and contribute to worldwide instability. Human, environmental, climate change and security risks associated with chemical, biological, radioactive and nuclear materials (CBRN) also transcend national and regional frontiers.

To address the multiple drivers of instability that can lead to conflicts and growing security challenges and for the EU to fully play its role on the world stage promoting EU's values and interests, the Instrument for Stability needs to further enhance its effectiveness in terms of

- (a) Speed of assistance in response to situations of crisis or emerging crisis
- (b) Development of EU's own capacities and EU's partners capabilities for conflict prevention, crisis preparedness and peace-building and
- (c) c) Addressing a wider range of global trans-national security threats.

2. ANALYSIS OF SUBSIDIARITY

As a global player, the EU has credibility and a perception of neutrality as an honest broker that provides a comparative advantage to intervene to prevent conflict. Crisis response actions when addressed at EU level maximise the coherence of response and aid efficiency. In this regard, it should be noted that a very limited number of EU Member States operate a crisis response or peace-building facility comparable in scope to the Instrument for Stability.

In the face of increasingly complex challenges, none of the EU's internal priorities – security, growth and job creation, climate change, access to energy, health and pandemics and migration - will be achieved in isolation from the wider world.

3. OBJECTIVES OF EU INITIATIVE

The new Treaty on the European Union (Article 21) has defined common overarching principles and objectives for the external action of the Union, *inter alia* to “*preserve peace,*

prevent conflicts and strengthen international security and to assist populations, countries and regions confronting natural or man-made disasters;

The specific objectives of the new Instrument for Stability are:

1. **In situations of crisis or emerging crisis either man-made or as a result of a natural disaster**, to contribute to stability by providing an effective response to help preserve, establish or re-establish the conditions essential to the proper implementation of the Union's development and cooperation policies.
2. to **ensure the preparedness of the EU and its partners to prevent conflicts and address pre- and post-crisis situations** in close coordination with international, regional and sub-regional organisations, state and non state actors.
3. to **address global and trans-national security threats** that pose a risk to peace and stability.

4. POLICY OPTIONS

To increase the **efficiency, effectiveness** and **coherence** of EU action on Peace and Security thereby increasing EU presence, **four** options were considered.

- **Option 0:** Not having a new Instrument after 2013
- **Option 1:** Status quo: Maintain the Instrument's current scope and a similar financial envelope compared to the 2007-2013 financial perspectives
- **Option 2:** A revised Instrument, broadly maintaining its current scope but increasing where possible, flexibility provisions, with a moderate increase of its financial envelope enabling the EU to appropriately assume its growing responsibilities in the area of Peace and Security.
- **Option 3:** A new or new Instruments incorporating the following considerations (a) to tackle separately Crisis Response and Preparedness issues from security-related issues, notably terrorism, trans-regional threats and CBRN risks (b) to encompass EU external action tools currently carried out under other Instruments (e.g. EU Electoral Observation Missions or the African Peace Facility).

5. ASSESSMENT OF IMPACTS

There is a general consensus on the need for the EU to maintain the main characteristics that have led to its success. The policy options considered are intended to consolidate and wherever possible, improve the current IfS features. Because of the nature of the Instrument, the choice of any of the four options listed above (except for option 0) is not likely to lead to significant differences in terms of "external" impacts (economic, social or environmental). Nonetheless, the final choice made would have important consequences in terms of increasing the **efficiency, effectiveness** and **coherence** with all other external instruments.

A more efficient instrument should lead to increased EU activity on crisis prevention, preserving peace and strengthening international security, including enhancing EU's capacity for crisis preparedness.

6. COMPARISON OF OPTIONS

The table below summarizes the pros and cons of different options.

The options are assessed against the following three criteria:

Coherence means here the possibilities to create synergies in terms of programming and delivery towards achieving the agreed objectives and to avoid negative consequences and spillovers which would adversely affect the implementation of the policies. This is particularly significant when two different instruments have the same geographical coverage.

Effectiveness means doing the right things, setting the right goals and objectives and then ensuring that they are accomplished.

Efficiency means doing things right, and obtaining the most from deployed resources: this includes organizational aspects as well as the expected gains from the simplification of the Instrument.

<i>Impacts</i>		Effectiveness	Coherence	Efficiency
<i>Options</i>	0. - No Instrument	–	–	–
	1. - No change from today's situation	–	=	–
	2. - A revised Instrument	+	+	+
	3. - A new Instrument or Instruments			
	A) splitting current instrument	=	–	+
	B) adding new scope	+	+	–

Option 0: Because of the obligations incumbent on the European Union under Article 21 of the Treaty and the political guidance provided by Council on *inter alia* Security and Development (2007), European Security Strategy (2008) and on conflict prevention (2011), recourse to this option is not politically possible without the EU losing international credibility and capacity to defend its interests.

Option 1: IfS could still remain relevant by delivering responses as it has been doing since 2007. However, an opportunity to improve and enhance the Instrument's value on the basis of experience would be missed especially in terms of effectiveness and efficiency

Option 2: to maintain the main features and characteristics of IfS, while streamlining its provisions to increase its flexibility and effectiveness thereby enabling the EU to swiftly respond to future international peace and security challenges. A more efficient instrument should lead to increased EU activity on crisis prevention, preserving peace and strengthening international security, including enhancing EU's capacity for crisis preparedness.

The IfS would continue to finance actions complementary to or in support of measures financed under other external instruments and if need be, used as a substitute whenever the latter cannot be deployed rapidly. The example of unforeseen elections whose observation could not be planned in advance comes to mind or whose preparation requires immediate EU

support to ensure better conditions for free and fair results, acceptable to the majority of the population so as to avoid disputed results leading to potential conflict (Tunisia, Egypt in 2011)

Option 3: A new Instrument or Instruments, providing for

- (a) the set up two new Instruments providing for split between crisis response and preparedness, on the one hand, and global and trans-national security threats on the other, is not advisable.

It is important to highlight the links that exist between crisis response and pre- and post-crisis capacity building, on one hand, and addressing global and trans-national threats on the other. Together, they form the backbone of EU external action on Peace and Security issues (along with other instruments such as EIDHR). The possible costs in terms of loss of coherence by separating these components from each other cannot be underestimated.

Besides running against the overall aim of rationalising the number of existing instruments, it could result in a less coherent and complementary interaction in addressing drivers of conflict;

- (b) broadening the scope of the new Instrument to achieve greater coherence in the deployment of the different EU interventions can also be disregarded given the difficulty of reconciling different legal basis and decision-making processes under a single legislative Instrument. Such option would not be efficient.

On the contrary, there would be a risk that some of the flexibility achieved under current arrangements could be lost if other instruments and working methods were brought under the same regulatory umbrella. The decision-making processes for Electoral Observation Missions for instance, are hardly compatible with the speed required when dealing with unforeseen elections following a political crisis. Some of the actions financed under the African Peace Facility (e.g payment of allowances to African soldiers in AU Peace Keeping Operations) which are possible under the EDF, would be impossible to finance under the EU budget. These are just two examples showing that such a merger would be very complicated to implement in practice.

In summary, **option 2 appears to be the optimal choice.**

On the basis of the above analysis, Option 2 appears to be the optimal choice. **A revised Instrument**, broadly maintaining its current scope but increasing its flexibility to enable the EU to more effectively and rapidly respond to future international peace and security challenges.

7. MONITORING AND EVALUATION

The European Commission's Monitoring and Evaluation systems are increasingly focused on results. They involve internal staff as well as external expertise. These assessments contribute to accountability and to the improvement of ongoing interventions; they also draw lessons

from past experience to inform future policies and actions taking into account INCAF¹ criteria.

¹ OECD DAC's International Network on Conflict and Fragility (INCAF)