



External Evaluation of the Common Implementing Regulation (2014 – mid 2017)

**Final Report
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Lead company

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External Evaluation of the Common Implementing Regulation

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External Evaluation of the Common Implementing Regulation

Final Report

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List of acronyms and abbreviations

AAP	Annual Action Plan
ACP	African, Caribbean, and Pacific Group of States
AfIF	Africa Investment Facility
AIF	Asia Investment Facility
BS	Budget Support
CIR	Common Implementing Regulation
CSO	Civil Society Organisation
CVE	Countering Violent Extremism
DCI	Development Co-operation Instrument
DG DEVCO	Directorate General for International Cooperation and Development
DG NEAR	Directorate General for Neighbourhood and Enlargement Negotiations
EAMR	External Assistance Management Report
EBRD	European Bank for Reconstruction and Development
EDF	European Development Fund
EEAS	European External Action Service
EFI	External Financing Instrument
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
ENI	European Neighbourhood Instrument
EQ	Evaluation Question
EU	European Union
EU-AITF	EU-Africa Infrastructure Trust Fund
EUD	EU Delegation
EUR	Euros
FPI	Service for Foreign Policy Instruments
GBS	General Budget Support
GD	Greenland Decision
GPEDC	Global Partnership for Effective Development Co-operation
HRD	Human Rights Defender
IcSP	Instrument contributing to Stability and Peace
IFCA	Investment Facility for Central Asia
IFP	Investment Facility for the Pacific
INSC	Instrument for Nuclear Safety and Co-operation
IPA	Instrument for Pre-Accession Assistance
LA	Local Authority
LDC	Least Developed Country
LRRD	Linking Relief, Rehabilitation and Development

MAAP	Multi-Annual Action Plan
MFF	Multiannual Financial Framework
MTR	Mid-term review
NIF	Neighbourhood Investment Facility
OECD	Organisation for Economic Co-operation and Development
OPC	Open Public Consultation
PE	Programme Estimates
PI	Partnership Instrument
PRAG	Procurement and Grants for European Union external actions
SBS	Sector Budget Support
SDGs	Sustainable Development Goals
SG	Secretariat General
SWD	Staff Working Document
UN	United Nations
WBIF	Western Balkans Investment Framework

Executive Summary

Objectives and context of the evaluation

The evaluation of the Common Implementing Regulation (CIR)¹ has been part of a process of parallel evaluations of External Financing Instruments (EFIs)² under the current Multiannual Financial Framework (MFF) 2014 - 2020 and the 11th European Development Fund (EDF). The evaluations will feed into the Mid-term review report (MTR) required in the CIR regulation under Article 17.

The objectives of all EFI evaluations, including the one on the CIR, is to a) provide the relevant external relations services of the European Union and the wider public with an assessment of the EFIs, including complementarities and synergies among them; and b) inform the programming and implementation of the current EFIs, as well as the next generation of the EFIs.

The CIR lays down common rules for all EFIs, including the EDF. The CIR is a single transversal Regulation that is consistent with Financial Regulations and comitology rules. This evaluation assesses whether the CIR was and remains fit for the purposes for which it was designed: harmonisation and simplification of implementation, the need for additional flexibility, enhanced coherence and consistency and an increased likelihood of the efficient use of available resources to optimise the impact of the EU's external action.

Methodology and challenges

To ensure that the evaluation is fully evidence-based, data collection has been undertaken through a two-step approach involving separate but related exercises:

- EFI evaluation teams assessed the application of the CIR rules as part of their respective instrument evaluations providing responses to a common set of questions (October – December 2016);
- Responses from the evaluation teams were then drawn together by the CIR evaluation team, which also collected additional transversal information (December 2016 – January 2017).

Both EFI and the CIR evaluation teams have drawn on responses from a general survey on EFIs among EU Delegations (EUDs) specifically for this exercise, undertaken reviews of key documents and conducted interviews with EU staff and other stakeholders in Brussels and during country field visits.

Given the relative scarcity of quantitative and qualitative data due to the short period under review (2014 to mid-2017), the evaluation extensively builds on information from interviews with EU staff at headquarters, in the field, and on responses to the survey from EUDs. Additional research was undertaken to complete and ensure a systematic overview of the CIR related work of the different EFI evaluation teams.

Comments received during the Open Public Consultation (OPC) contributed to a further refinement of findings, conclusions and recommendations.

Key findings per evaluation question

EQ 1 on relevance: The adoption of the CIR responded to a need for common and simple rules for formulation, implementation, monitoring and evaluation. It can therefore be considered generally relevant. The CIR seeks to contribute to the most efficient use of available resources to optimise the impact of EU external action. This laudable intention adds to the relevance of the CIR. There is no indication that, at this level, the CIR is currently less relevant than it was in 2014.

¹ 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.

² Development Cooperation Instrument (DCI); European Instrument for Democracy and Human Rights (EIDHR); European Neighbourhood Instrument (ENI); Instrument contributing to Stability and Peace (IcSP); Instrument for Pre-accession Assistance (IPA II); Partnership Instrument for cooperation with third countries (PI); Instrument for Nuclear Safety Cooperation (INSC) and the Greenland Decision (GD).

The CIR succeeded in, notably, harmonising basic financing rules, provisions on nationality and origin (untying of aid), eligibility criteria and requirements for monitoring and evaluation. However, rule simplification has been achieved to a lesser extent, as the implementation system of the EFIs remains complex.

The substantive topics in the CIR were included on a selective basis without a clear rationale for why certain topics were considered while others were not. By way of example, it is not clear why human rights are dealt with, while gender equality is hardly mentioned. There are also no references to major themes such as migration, security or trade, which could equally have been included in the implementing rules. The CIR could have been even more relevant, if the way in which policy concerns were dealt with had been less arbitrary.

EQ 2 on effectiveness: The CIR has had a limited beneficial effect on the achievement of those EFI objectives specifically identified in the CIR: mainstreaming climate change and environmental action and promoting human rights and fundamental freedoms. These were driven by broader policy agendas already before the adoption of the CIR. The EFI Regulations mentioned these policy agendas. The CIR provided an additional legal underpinning for these objectives but contained relatively little new guidance on implementation. If it had, it would have significantly added value to what was already provided for in EFI Regulations and other legislative acts.

The CIR was innovative in including accessibility for people with disabilities as an objective. However, a review of planning and monitoring documents shows that this has not resulted in greater attention to this dimension in the implementation of EFI Regulations.

It has also been assessed to what extent the CIR lives up to its aspiration that implementing rules should contribute to the optimisation of impact. This could be expected from sufficiently flexible comitology rules. The CIR grants certain exceptions from the requirement that all (annual and multi-annual) action programmes, individual measures and special measures need to be approved by Committees composed of representatives of Member States (comitology). Comitology related provisions in the CIR offered limited gains to speed up delivery of small size actions. However, by and large these exceptions remain too restrictive to significantly enhance the ability of the EFIs to live up to the aspiration that EU action should be responsive to evolving local needs and contribute to optimal development impact. There is also no evidence that provisions in the CIR influenced or modified extensive interfaces with Civil Society Organisations (CSOs) and Local Authorities (LAs) and their access to EU funding, which is experienced as cumbersome by many of them.

According to interviewees at EU headquarters, CIR provisions on monitoring and evaluation have contributed to the adoption of a comprehensive Results Framework in 2015. The CIR has also given an additional impetus to strengthened evaluation functions in the Directorate General for International Cooperation and Development (DG DEVCO), the Service for Foreign Policy Instruments (FPI) and the Directorate General for Neighbourhood and Enlargement Negotiations (DG NEAR). Challenges remain to adapt the choice of indicators to the realities of non-least developed countries (LDC) and ensure overall consistency of indicators. Overall, the strengthening of monitoring and evaluation endorsed by the CIR has resulted in increased attention to results and thereby improved chances that EFI impact might be achieved.

EQ 3 on coherence: The CIR requirement to produce a common Annual Report on all EFIs, including those managed by DG DEVCO, FPI and DG NEAR as from 2015, required an extensive consultation between these DGs and services. A major challenge was to adapt the choice of indicators to the realities also of non-LDCs and to ensure overall consistency of indicators. The benefits in terms of enhancing internal coherence in the reporting on EFIs outweighed the fact that the publication of the 2015 Report was considerably delayed.

The link between practices to enhance EU visibility, i.e. project a coherent image of EU external action, and the CIR is relatively weak. References to EU visibility in the CIR remain at a general level. CIR provisions provide the legal underpinning to common practice that has existed at least since 2010.

Based on a review of two proxy indicators (use of country systems; and involvement of stakeholders in beneficiary countries), there is no evidence that the CIR made a difference in enhancing internal or external coherence, complementarity, synergies, added value and more

coordinated forms of working. The CIR did provide an additional legal underpinning to these endeavours. However, on the use of country systems through general and sector budget support the CIR has mostly just endorsed guidelines that date back to 2012 and was not a driver of change. There is also no evidence that provisions in the CIR influenced or modified extensive interfaces with Civil Society Organisations (CSOs) and Local Authorities (LAs) or facilitated the access to EU funding for these actors. There is strong evidence from the OPC, the EUD survey and interviews conducted for the EFI evaluations that many CSOs and LAs experience access to EU funding as cumbersome.

EQ 4 on efficiency: CIR rules on nationality and origin mostly confirmed a continuous trend towards untying of aid since 2010 and while providing an additional legal underpinning, did not enhance timeliness and cost-efficiency in the delivery of EU actions.

By contrast, the introduction of more liberal eligibility criteria increased the flexibility and responsiveness notably of the EIDHR, as it eased requirements imposed on recipients of grants allowing for greater flexibility and speedier delivery of contracts to respond to urgent needs. The degree of flexibilisation is, however, still found to be insufficient by EUD staff and also by CSOs and LAs themselves.

Responses to the EUD survey suggest that CIR provisions on the use of local and regional contractors resulted in a significant increase in the relative share of volume of funds used for local contractors in the Development Co-operation Instrument (DCI) and EDF countries between 2013 and 2016. The number of local and regional contracts decreased in DCI countries and only increased slightly in EDF countries during the same period. The share in terms of total volume rose significantly, as the contracts were larger in size. With the caveat that survey data do not adequately reflect the total picture of contracting, this would represent an efficiency gain.

EQ 5 on leverage: CIR Art. 3 makes it possible to group several innovative financial instruments into facilities for implementation and reporting purposes. This CIR provision significantly improved the implementation and impact of the innovative financial instruments, as the processes could be speeded up.

CIR general financing provisions on general and sector budget support specifically call for a policy dialogue, *inter alia* to promote democracy, human rights and the rule of law, support sustainable and inclusive economic growth and eradicate poverty. However, whether this effectively happens in practice, depends on the context-specific political economy conditions prevailing in each partner country / region and on the space available for a genuine political dialogue. This is more challenging in countries that have their own resources and rely less on external financial assistance. Insistence on democracy and human rights, including gender equality, does not always produce the hoped for effects in countries not or only partially espousing these values. Leverage is often more effective at the sectoral and technical levels than at the high end of policies, but this is not a dimension referred to explicitly in the CIR.

Conclusions

Conclusion 1: For EFI formulation, implementation, monitoring and evaluation, the CIR has proven most fit for purpose in the following areas: it increased flexibility in certain domains, e.g. by admitting multi-annual action programmes and it liberalised rules on nationality and origin and eligibility criteria, with benefits especially for CSOs. The CIR also provides for ample use of country systems, and the use of local and regional contractors. Accountability has also been enhanced through the strengthening of monitoring and evaluation and a more comprehensive Annual Report on EFIs. However, the CIR has only partly proven fit for purpose in terms of simplification of implementing procedures (see conclusion 3) and in creating procedures in support of coherence and complementarity (conclusion 5). The selective inclusion of substantive themes (climate change and environment; democracy and human rights; persons with disabilities) and implementing rules played no significant role in enhancing the achievement of respective goals within the delivery of each EFI and in optimising the impact of EU external action (conclusion 4).

Conclusion 2: The value of the CIR has been that it harmonised implementing rules for all EFIs (i.e. concerning formulation, implementation, monitoring and evaluation). Harmonisation has, to a large extent, been achieved for applicable comitology procedures, general financing

provisions (notably general and sector budget support), common rules on nationality and origin (untying of aid), eligibility criteria and monitoring and evaluation. However, given the diversity of EFIs, the level of ambition on harmonisation remained at a modest level. Specific provisions for the different EFIs had to be designed to respond to the needs of individual EFIs in the CIR itself (for financing provisions and eligibility rules), in EFI Regulations (e.g. on innovative financial instruments) and in dedicated additional Implementing Regulations (Instrument for Pre-Accession Assistance, IPA-II and European Neighbourhood Instrument, ENI, the latter specifically on cross-border co-operation programmes). Commonality of rules was sought after, but the CIR was challenged by the fact that one size does not fit all.

Conclusion 3: The CIR did not result in much simplification of rules. In the first place, general and specific implementing rules both inside and outside the CIR create a complex legal architecture. Secondly, the CIR did not make comitology rules less restrictive, as it allowed only for limited exceptions from examination procedures by Committees. Thirdly, rules on nationality and origin and eligibility criteria, though useful and aiming at flexibilisation especially for CSOs and LAs, remain complex and difficult to explain to external stakeholders. Lastly, more stringent requirements for monitoring and evaluation and for the Annual Report on EFIs enhance accountability, but also pose challenges for compatibility between multiple indicators in different EFI contexts.

Conclusion 4: The CIR does not make a sufficiently convincing contribution allowing EFIs to meet the aspiration expressed in the preamble of the Regulation that the Union should seek the most efficient use of available resources to optimise the impact of external action. The lengthy procedures required for action programmes, individual measures and special measures hamper the EU's overall capacity to respond in a timely and adequate manner to evolving needs of stakeholders and changing partner country contexts. While the liberalisation of rules on nationality and origin, eligibility criteria and the increased use of country systems and local contractors has to a certain extent resulted in more flexibility, the level of ambition to optimise impact has remained relatively modest. There is also no evidence that provisions in the CIR influenced or modified extensive interfaces with CSOs and LAs or facilitated the access to EU funding for these actors. There is strong evidence from the OPC, the EUD survey and from the EFI evaluations that many CSOs and LAs experience access to EU funding as cumbersome. In addition, the following dimensions are addressed only at a very general level: firstly, climate change and environment action and, secondly, how to consider criteria regarding accessibility for people with disabilities. The CIR remains mute on major themes like gender mainstreaming, migration and security. The (selective) inclusion of such substantive clauses in the CIR (which are already foreseen in the various EFIs) has not provided additional incentives to headquarter units and EUDs to engage on these matters.

Conclusion 5: Commonality in implementing rules could raise the expectation that there is a beneficial effect for coherence as well as complementarity and synergies between EFIs. However, the CIR does not contain any provision to overcome the fact that different EFIs operate in different compartments with distinct action programmes, individual and special measures. For example, the absence of provisions in the CIR for the systematic use of joint examination procedures or – at a minimum - joint calls for proposals between at least two EFIs operating in the same country or region or on related themes could be a missed opportunity.

Recommendation:

Given the fact that the CIR has proven valuable for further harmonisation of implementing rules across EFIs including the EDF, the EU may wish to consider at the design stage of the next generation of EFIs to maintain the approach of a common transversal Regulation for formulation, implementation, monitoring and evaluation of EFIs.

While further simplification and optimisation of impact may go beyond the scope of the CIR, without a more far-reaching reform of the EU regulatory framework, e.g. a complete revision of the Financial Regulation and comitology rules, the next CIR could take advantage of its transversal nature by systematically requiring examination procedures for joint action programmes, individual and special measures that involve financial assistance from more than one EFI. This would create a structural approach to enhancing complementarity and synergies between EFIs.

1 Introduction

Context: The evaluation of the Common Implementing Regulation (CIR)³ is part of a process of parallel evaluations of External Financing Instruments (EFIs) under the current Multiannual Financial Framework (MFF) 2014 – 2020 and the 11th European Development Fund (EDF)⁴. The evaluations will feed into the Mid-term review report (MTR) required in the CIR regulation under Article 17. The objectives of all EFI evaluations, including the one on the CIR, is to a) provide the relevant external relations services of the European Union and the wider public with an assessment of the EFIs, including complementarities and synergies among them; and b) inform the programming and implementation of the current EFIs, as well as the next generation of the EFIs.

Evaluand: The CIR lays down common rules for all EFIs, including the EDF. The CIR is a single transversal Regulation that is consistent with Financial Regulations and comitology rules. This evaluation assesses whether the CIR was and remains fit for the purposes for which it was designed: harmonisation and simplification of implementation, the need for additional flexibility, enhanced coherence and consistency and an increased likelihood of the efficient use of available resources to optimise the impact of the EU's external action.

Evidence has been collected on where the CIR made a difference as from 2014 and on ways in which the CIR has improved or hindered implementation under the 2014-2020 EFIs. The following dimensions have been assessed as part of the CIR evaluation: a) the extent to which the CIR rules have been implemented in the case of each EFI; b) the appropriateness of the CIR implementing rules; and c) any gaps, which need to be addressed. The CIR evaluation is limited to the following evaluation criteria: relevance, effectiveness, coherence, efficiency and leverage, and is based on five Evaluation Questions (EQs).

2 Methodology

2.1 Key methodological elements

Scope of evaluation: The temporal scope covers the period 1 January 2014 – 1 June 2017. In principle, the situation prevailing on 1 January 2014 is the baseline. The end-date 1 June 2017 means in practice that at this stage the period until the second semester of 2016, when the evaluation takes place, can be covered. Geographically, the evaluation covers all countries where the instruments intervene, i.e. most countries outside the EU⁵.

Design and process of the evaluation: The evaluation design is non-experimental⁶. It compares the implementation rules of 2007-2013 and 2014-2020. Data collection was undertaken through a two-step approach involving separate but related exercises:

³ 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.

⁴ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development co-operation for the period 2014-2020 REG 233/2014; Regulation (EU) No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for democracy and human rights worldwide. Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument. 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. Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for co-operation with third countries; Regulation (EU) No 237/2014 of the Council of 13 December 2013, OJ L77, Art. 9 Implementation Instrument for Nuclear Safety and Cooperation; Council Decision 2014/137/EU of 14 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other, OJ L76, p 1, Articles 5 and 9; Regulation (EU) 2015/322 of the European Council of 2 March 2015 on the 11th European Development Fund.

⁵ EDF and DCI cover most developing countries, IPA-II and ENI pre-accession and neighbourhood countries, PI in any non-EU country, with an emphasis on partner countries of strategic interest to the EU, including industrialized countries, other EFIs with a global outreach.

⁶ A type of evaluation design where no attempt is made to create intervention and non-intervention groups and the emphasis is on description (see Morra Imas, Linda G and Ray C. Rist 2009, The Road to Results, p. 267).

- EFI evaluation teams assessed the application of the CIR rules as part of their respective evaluations providing responses to a common set of questions (October – December 2016);
- In a second step, responses from the evaluation teams were drawn together by the CIR evaluation team, which also collected additional information (December 2016 – January 2017).

At both stages, use was made of responses to the general survey on EFIs among EU Delegations (EUDs), which also took into consideration views of external stakeholders, as appropriate. The EUD survey consisted mostly of open questions soliciting narrative responses. The response rate can be considered as high, since 85 completed questionnaires were received (from 132 EUDs contacted). The survey therefore produced much useful qualitative information from the field.

The evaluation teams also reviewed key documents and conducted interviews with EU staff and other stakeholders in Brussels and during field visits. Data from different sources (document study, interviews, survey) were compared and checked for consistency, before formulating findings and conclusions.

The draft evaluation report was posted on the website of the European Commission for an Open Public Consultation (OPC) between 7 February and 5 May 2017⁷. All stakeholders in beneficiary and EU countries were welcome to participate in this consultation. The objective of the web-consultation was twofold:

- To gather feedback from the broadest possible range of stakeholders.
- To gather preliminary ideas on the future EFIs after the current ones have expired by 31 December 2020.

In addition, as part of the public consultation, a technical workshop with over 180 participants from the European Parliament and EU Member States was organised on 27-28 March 2017. The purpose of this workshop was to gather views on the draft evaluation reports of the EFIs and start reflections on the future of the instruments post-2020. OPC comments received have been taken into consideration in the final version of the report and also as an additional source of evidence and basis for the analysis.

2.1 Intervention logic

Considering the CIR Regulation and noting the rationale and scope of the evaluation, the evaluation team has reconstructed the Intervention Logic (IL) underlying the CIR. This intervention logic has guided the evaluation (see Figure 1).

Rationale of the IL: The reconstructed IL reflects the understanding of the rationale of the Commission and legislative bodies for creating the CIR. Assumptions and expected outcomes and impact are systematically tested in the responses to the Evaluation Questions (section 3), analysed under Conclusions (section 4) and suggestions are made in a forward-looking Recommendation (section 5).

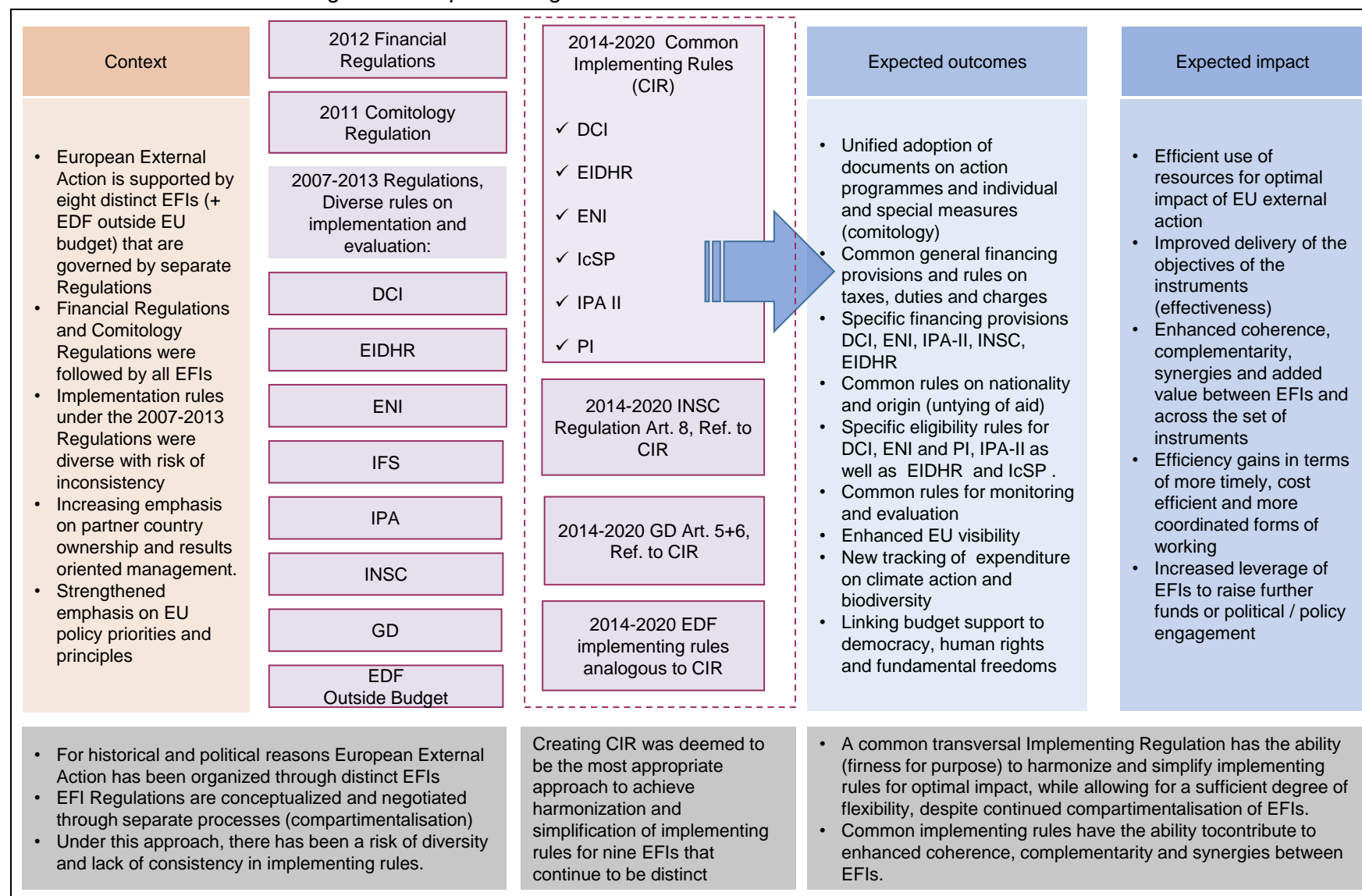
Context and 2007 – 2013 Regulations: Each of the 2007-2013 EFI Regulations contained its own set of implementation rules and provisions for monitoring and evaluation, Financial Regulations⁸ and comitology rules⁹ applied, but the fact that EFI Regulations were conceptualised and negotiated through separate processes was perceived to involve risks of diversity across EFIs and lack of coherence and consistency. Since at least 2012, there has been increased emphasis on partner country ownership and results oriented management, both of which were to be reflected in an adequate manner in the implementing rules.

⁷ https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en.

⁸ Regulation (EU, Euratom) No. 966/2012 of 25 October 2012.

⁹ Regulation (EU) No. 182/2011 of 16 February 2011.

Figure 1 Revised intervention logic – EFI Implementing rules before and after 2014



CIR and 2014-2020 Regulations: According to the Directorate General for International Cooperation and Development (DG DEVCO) staff closely involved in the genesis of the CIR, the 2014-2020 regulations for each respective EFI were still conceptualised and negotiated through separate processes, but they were no longer supposed to contain provisions for formulation, implementation, monitoring and evaluation¹⁰. The EFIs would follow rules laid down in the CIR, i.e. a single transversal Regulation that was consistent with Financial Regulations and comitology rules. The assumption was that this was the most appropriate approach to achieve harmonisation and simplification of rules in view to optimise the impact of EU external action, with due regard to specific needs of individual EFIs.

Expected outcomes: Expected outcomes of the CIR reflect the coverage of the CIR, e.g. the unified adoption procedure of action programmes and measures (comitology); common general financing provisions with specific financing provisions applying to the Development Co-operation Instrument (DCI), European Neighbourhood Instrument (ENI), Instrument for Pre-Accession Assistance (IPA-II)¹¹ and the European Instrument for Democracy and Human Rights (EIDHR); common rules on nationality and origin with specific eligibility rules for DCI, ENI, and the Partnership Instrument (PI) as well as EIDHR and the Instrument contributing to Stability and Peace (IcSP); common rules for monitoring and evaluation; enhanced visibility; new tracking of expenditure on climate action and biodiversity; and differentiation of budget support (BS) on the basis of political, economic and social context of partner countries, including adherence to principles of democracy, human rights and fundamental freedoms. The key assumption was that creating a single transversal Implementing Regulation was the most appropriate approach to achieve harmonisation and simplification of implementing rules for optimal impact for EFIs that continued to be distinct.

Expected impact: The expected impact of these outcomes is more efficient use of resources for optimal impact of EU external action; delivery of the objectives of the instruments (effectiveness); enhanced coherence, complementarity, synergies and added value between EFIs and across the set of instruments; efficiency gains in terms of timelier, more cost efficient and coordinated forms of working; increased leverage of EFIs to raise further funds or political / policy engagement. The key assumption was that a common transversal Implementing Regulation had the ability (fitness for purpose) to harmonise and simplify rules for optimal impact for all EFIs, while allowing for a sufficient degree of flexibility, and that the approach was possible despite continuing compartmentalisation, i.e. conceptualisation and negotiation of EFIs through distinct processes.

2.2 Challenges and limitations

Availability of data: Given the relatively short review period for the assessment of results (2014-2016/7) and that formal reports and the EU statistical Dashboard mostly cover only the period until 2015, quantitative and qualitative data are relatively scarce. To a large extent, EFI evaluation teams and the CIR team relied on interviews with staff at EU headquarters and during field visits as well as on the survey conducted among EUDs. It must be noted that the implementing rules are not understood under the name “CIR” among staff both in headquarters and in the EUDs. Interviewees and survey respondents mostly refer to CIR provisions that have found their way into recent updates to the DEVCO Companion¹² and the PRAG¹³, which mostly follow the Financial Regulations¹⁴.

Compatibility and appreciation of data: The two-step approach with individual EFI evaluation teams collecting most of the evidence and the CIR evaluation team drawing inputs together and investigating some over-arching issues had both advantages and drawbacks. A major advantage

¹⁰ Other external actions Basic Acts determine the objectives, scope, programming, financial envelope and allocation of funds for each policy. CIR only provides a set of common rules applicable to formulation, implementation and monitoring and evaluation.

¹¹ IPA-II also has its own Implementing Regulation. COMMISSION IMPLEMENTING REGULATION (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II).

¹² EU (2016) DEVCO Companion to Financial and Contractual Procedures,

¹³ EU (2016) Procurement and Grants for European Union external actions – A Practical Guide.

¹⁴ Regulation (EU, EURATOM) No. 966/2012 of the European Parliament and Council of 25 October 2012. Preamble and Commission Delegated Regulation (EU) No. 1268/2012 of 29 October 2012 on the rules of application of Regulation no. 966/2012. Both Regulations are commonly referred to as Financial Regulations.

has been that CIR provisions were assessed in the context of the different EFIs. However, an important drawback has been that evaluation teams interpreted the CIR questionnaire in diverse ways, which made it a challenge for the CIR evaluation team to synthesize the findings. To a certain extent, this challenge was mitigated by additional research undertaken, e.g. a comparison between the CIR and all 2014-2020 Regulations. The evaluation has nevertheless succeeded in collecting a significant amount of information from a variety of sources.

3 Responses to the evaluation questions (findings)

3.1 EQ 1 on relevance

To what extent was the CIR relevant at time of adoption and to what extent does it continue to be relevant?

Implementing rules are needed: To the extent that EFIs require common and simple rules for formulation, implementation, monitoring and evaluation, the adoption of the CIR responded to a need and it can therefore be considered generally relevant. The CIR seeks to ensure the most efficient use of available resources to optimise the impact of EU external action. This laudable intention adds to the relevance of the CIR. There is no indication that, at this level, the CIR is less relevant at present than it was in 2014.

Harmonisation and simplification: The CIR succeeded in harmonising notably basic financing and comitology rules, provisions on nationality and origin (untying of aid), eligibility criteria and requirements for monitoring and evaluation. However, the relevant aim of simplification of rules has been met to a lesser extent, as the implementation system of the EFIs remains relatively complex. For example, there has been a need for specific financing and eligibility rules for certain EFIs in the CIR, for additional provisions in the EFI Regulations (e.g. the DCI), as well as for a special relationship with the EDF.

Substantive topics in the CIR: The substantive topics in the CIR were included on a selective basis without a clear rationale, why some were considered and others not. For example, it is not clear, why human rights are dealt with, while gender equality is hardly mentioned. There are also no references to major themes such as migration, security or trade, which could equally have been included in the implementing rules. The CIR could have been even more relevant, if the way in which policy concerns were dealt with had been less arbitrary.

3.1.1 The notion of relevance applied to the CIR

In the preamble (paragraph 8), the CIR enounces the overall goal that the EU should seek the most efficient use of available resources to optimise the impact of its external action. The relevance of a procedural Regulation such as the CIR lies in the contribution it makes to the achievement of this overall goal, e.g. through harmonisation and simplification of rules, and in provisions that this Regulation introduces to enhance coherence and complementarity between the EFIs (see section 2.1 and section 3.3 for the contribution of the CIR to coherence).

3.1.2 Origin and scope of the CIR

Origin of the CIR: The CIR was established in March 2014, at the start of the 2014-2020 MFF, with retroactive effect to 1 January 2014. The Commission proposed to create a transversal Regulation, which would cover all implementation provisions. Such rules would consequently not be included in 2014-2020 EFIs Regulations.

According to senior EU staff closely involved in the genesis of the CIR in 2014, there was a concern both in the Commission and among Member States that conceptualising and negotiating implementing rules for each of the individual EFI Regulations would lead to undesirable diversity and inconsistency. Having common implementing rules in one transversal Regulation would present a major advantage for the sake of procedural consistency and transparency.

The original intention was that the CIR would mainly focus on procedural aspects, e.g. a unified adoption of action programmes and individual and special measures (comitology); common general financing provisions and rules for taxes, duties and charges; common rules on nationality and origin (untying of aid); common rules for monitoring and evaluation. Specific financing provisions and eligibility rules were included for certain EFIs (see 3.4.1).

During the legislative process in the Council and in Parliament, the draft Regulation was not only amended on implementation rules, but also enriched with substantive considerations and requirements, e.g. attention for democracy, the rule of law, human rights and fundamental freedoms (Art. 2(5)), environmental screening including for climate change and biodiversity impacts (Art. 2(6)); accessibility for persons with disabilities (Art. 2(7) and tracking of climate action and biodiversity expenditure (Art. 14). The inclusion of these elements in the CIR was irrespective of the fact that similar provisions were also made in the individual EFI Regulations¹⁵.

Scope of the CIR: The CIR lays down rules and conditions for the provision of financial assistance to actions for the following EFIs¹⁶: a) DCI; b) EIDHR; c) ENI; d) IcSP; e) IPA-II; f) PI.

The following instruments are not mentioned in Art. 1 of the CIR Regulation (subject matter and principles), but contain references to the CIR¹⁷ and are also covered by its rules: a) Instrument for Nuclear Safety and Co-operation (INSC)¹⁸ and b) the Greenland Decision (GD)¹⁹.

The extra-budgetary 11th European Development Fund (EDF) and related provisions are not covered by the CIR, but has its own implementation rules, in accordance with the Council Regulation on the implementation of the 11th EDF²⁰ (see 3.1.3).

All nine instruments are covered by the CIR evaluation, and will be dealt with in the MTR Report, albeit with due consideration of their specific relationship with the CIR. At the same time, the CIR reintroduces a differentiation for several EFIs, e.g. specific financing provisions for DCI, ENI, IPA-II, IcSP and EIDHR (Art. 6) and specific eligibility rules for DCI, ENI and PI (Art. 9), IPA-II (Art. 10) as well as EIDHR and IcSP (Art. 11).

3.1.3 Relationship of the EDF with CIR

The EDF is one of the EU's EFIs. However, it has a different set of implementation rules²¹. While the EU has made important efforts to harmonise the implementation regulations of the EDF with those of the other EFIs, differences remain because of the particularities of the legal basis of the EDF, i.e. the Cotonou Agreement and the Overseas Association Decision²². The creation of the CIR has provided a good opportunity to seek greatest possible harmonisation between implementing rules of the EDF and other EFIs.

The 11th EDF was created by an intergovernmental agreement signed in June 2013 – as it is not part of the EU Budget – and entered into force on the 1st March 2015, after ratification by all

¹⁵ The individual EFI Regulations and the CIR were negotiated through distinct processes without a common plan and a check, whether there were overlaps and whether the architecture of EFIs was entirely rational.

¹⁶ Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development co-operation for the period 2014-2020 REG 233/2014; Regulation (EU) No 235/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for democracy and human rights worldwide. Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument. 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. Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014 establishing a Partnership Instrument for co-operation with third countries.

¹⁷ This is due to the fact that the Instrument for Nuclear Safety and Co-operation and the Greenland Decision were Regulations adopted by the European Council only, not by the European Parliament and the Council, like the others. The link to the CIR was established in references included in the respective Regulations.

¹⁸ Regulation (EU) No 237/2014 of the Council of 13 December 2013, OJ L77, Art. 9 Implementation.

¹⁹ Council Decision 2014/137/EU of 14 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other, OJ L76, p 1, Articles 5 and 9.

²⁰ Regulation (EU) 2015/322 of the European Council of 2 March 2015.

²¹ COUNCIL REGULATION (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund; COUNCIL REGULATION (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund; and Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies.

²² COTONOU AGREEMENT: 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; and COUNCIL DECISION 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision').

Member States²³. There are only minor modifications in the 11th EDF compared to the 10th EDF. Member States' contribution keys to the EDF are governed by provisions which deviate from the keys used for the EU Budget. The 11th EDF is implemented according to its own financial and implementation regulations, the latter covering the same ground as the CIR.

3.1.4 The CIR and 2007-2013 EFI Regulations

In 2007-2013, each of the above-mentioned eight instruments financed under the EU budget as well as the EDF had their own Regulations or Decision that included detailed provisions related to implementation, e.g. in the DCI Regulation, on annual action plans, eligibility, types of financing, support measures, co-financing, management procedures, public procurement procedures and evaluation. These provisions were, however, not the same across all EFIs.

Implementing rules contained in 2007 – 2013 EFI Regulations reflected financial and other Regulations governing the EU Budget at the time of their adoption. The CIR updated implementing rules in the light of financing and comitology rules prevailing in 2014. The primary aim was to achieve harmonisation of implementing rules for all EFIs and application of the principle that the simplest rule should prevail.

The CIR provides a legal underpinning for implementation of EFIs, which is, in some cases, additional and incremental to what is already laid down elsewhere, e.g. requirements on nationality and origin (untying of aid) and provisions on visibility, and, in other cases, the Regulation introduces innovations, e.g. more extensive use of country systems and enhanced stakeholder involvement; more use of local contractors; use of innovative instruments; and more emphasis on monitoring and evaluation.

3.1.5 CIR and 2012 Financial Regulations and 2011 Comitology Regulation

CIR and 2012 Financial Regulations: In its preamble, the CIR mentions that the common rules and procedures should be consistent with financial rules applicable to the general budget of the Union laid down in what is commonly referred to as the Financial Regulations of 2012²⁴. Financing decisions should take the form of a) annual or multiannual action programmes; b) individual measures; and c) support measures²⁵.

CIR and 2011 Comitology Regulation: Reference is also made to procedures laid down in Regulation (EU) No. 182/2011 of the European Parliament and of the Council of 16 February 2011, commonly referred to as Comitology Rules. The Preamble of the CIR (Paragraph 6) and Art. 2 introduce some precisions to the application of these rules, notably new thresholds for exemption from the obligation to follow the procedure of approval by Committees²⁶.

3.1.6 CIR and 2014 – 2020 Regulations

As the CIR contains implementing rules that are applicable to all MFF EFIs, such rules should no longer appear in the individual EFI Regulations. A review confirms that, except for ENI and IPA-II (see below), there are no more implementing rules as such in the EFI Regulations, but similar provisions appear both in the CIR and the EFI Regulations, albeit in the latter case in the form of general principles, e.g. concerning the need to use country systems and involve stakeholders, and more precise provisions in the EFI Regulation, e.g. on leveraging in the DCI Regulation²⁷. The EFI Regulations do not contain systematic references to the CIR.

²³ In order to ensure continuity of funding for co-operation with ACPs and OCTs, a 'Bridging Facility' was set-up to cover the period between the end of the 10th EDF (December 2013) and the start of the 11th EDF (March 2015). This Bridging Facility ceased to exist when the 11th EDF entered into force.

²⁴ Regulation (EU, EURATOM) No. 966/2012 of the European Parliament and Council of 25 October 2012. Preamble and Commission Delegated Regulation (EU) No. 1268/2012 of 29 October 2012 on the rules of application of Regulation no. 966/2012. Both Regulations are commonly referred to as Financial Regulations.

²⁵ Regulation (EU, EURATOM) No. 966/2012 of the European Parliament and Council of 25 October 2012. Preamble (3).

²⁶ On 14 February 2017, the European Commission proposed to amend the Comitology Regulation involving four targeted changes: a) changing the voting rules in the Appeal Committee; b) involving national Ministers; c) increasing voting transparency; and d) ensuring political input at the Appeal Committee. These amendments do not change any provisions contained in the CIR.

²⁷ DCI Regulation Art. 3, 8d vs. CIR Art. 1 e.

The ENI has an Implementing Regulation²⁸ containing provisions for the implementation of cross-border co-operation programmes that complements the CIR. IPA-II even has a full-fledged Implementing Regulation²⁹ introducing “*additional specific rules for addressing the specific situations in particular for indirect management, for cross-border co-operation programmes financed under the policy area ‘regional and territorial co-operation’ and rural development programmes financed under the policy area ‘agriculture and rural development’*” (paragraph 1 of the preamble). These Implementing Regulations are not covered by this evaluation.

3.1.7 Substantive topics in the CIR

The substantive policy topics in the CIR were included without a clear rationale for why some were considered and others not. For example, it is not clear, why human rights are dealt with, while gender equality is mentioned only briefly under monitoring and evaluation³⁰. There are also no references to major themes such as migration, security or trade, which could equally have been included in the implementing rules, to the extent that there is a need at all to introduce policy concerns in a procedural Regulation³¹. Substantive policy concerns, e.g. democracy and human rights, climate change and biodiversity, are also extensively addressed in EFI Regulations. These references contextualise these dimensions in the scope of the respective instruments. By contrast, the CIR contains a provision concerning accessibility for persons with disabilities, while none of the EFI Regulations does³².

3.1.8 CIR and 2015 Budget Focused on Results Initiative

There is no evidence that the CIR is currently less relevant than at its adoption in 2014. The documents related to the 2015 Budget Focused on Results Initiative³³ contain an extensive review of multiple provisions of the 2012 Financial Regulations and related documents, including a proposal for a revision of the Financial Regulations. However, they do not modify any provision under the CIR and only enhance the emphasis on efficient management for results and reflect the concern for further simplification and additional flexibility.

3.2 EQ 2 on effectiveness

To what extent has the CIR delivered on its objectives, e.g. improved delivery of the objectives of the instruments?

Role of CIR on substantive topics: The CIR has had a limited beneficial effect on the achievement of EFI objectives specifically mentioned in the CIR: mainstreaming climate change and environmental action and promoting human rights and fundamental freedoms.

These objectives were driven by broader policy agendas already before the adoption of the CIR with EFI Regulations mentioning them, as appropriate. The CIR provided an additional legal underpinning for these objectives, but contained relatively little new guidance on implementation, which would have significantly added value to what was already provided for in EFI Regulations and other legislative acts.

The CIR was innovative in including accessibility for persons with disabilities as an objective, but, as inferred from a review of planning and monitoring documents, and country case studies, this

²⁸ Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument.

²⁹ Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II).

³⁰ By contrast, several EFI Regulations refer to gender equality as a major priority.

³¹ According to Member State representatives commenting during the OPC, the selective inclusion of substantive themes in the CIR (human rights and fundamental freedoms; climate change, persons with disabilities), as observed in the evaluation report, must be understood against the background of the particular political context at the time when the CIR was designed. The omission of gender equality as a topic is indeed surprising.

³² An exception is the EIDHR Regulation, in which it is part of the scope in Article 2 1 (b) (iv) (focused on discrimination) and Article 2 (1) (x) (related to children with disabilities).

³³ http://ec.europa.eu/budget/budget4results/initiative/index_en.cfm.

http://ec.europa.eu/budget/budget4results/index_en.cfm.

To what extent has the CIR delivered on its objectives, e.g. improved delivery of the objectives of the instruments?

did not result in greater attention to this dimension in the implementation of EFI Regulations.

Role of implementing rules to achieve impact: It has also been assessed to what extent the CIR lives up to its aspiration that implementing rules should contribute to the optimisation of impact. This could, in particular, be expected from sufficiently flexible comitology rules. The CIR grants certain exceptions from the requirement that all (annual and multi-annual) action programmes, individual measures and special measures need to be approved by Committees composed of representatives of Member States (comitology).

Comitology related provisions in the CIR, while offering limited gains to speed up delivery of small size actions, by and large remain too restrictive to significantly enhance the ability of the EFIs to live up to the aspiration that EU action should be responsive to evolving local needs and contribute to optimal development impact.

Accountability, monitoring and evaluation: According to interviewees in DG DEVCO, the Directorate General for Neighbourhood and Enlargement Negotiations (DG NEAR) and the Service for Foreign Policy Instruments (FPI), CIR provisions on monitoring and evaluation have contributed to the adoption of a comprehensive Results Framework in 2015. However, the quest for more accountability had been a constant theme in EU policy documents at least since the 2011 EU Agenda for Change³⁴. The CIR has also given an impetus to strengthened evaluation functions in DG DEVCO, FPI and DG NEAR. Challenges remain to adapt the choice of indicators to the realities of non-LDC countries and ensure overall consistency of indicators. Overall, the strengthening of monitoring and evaluation introduced by the CIR has resulted in increased attention to results and thereby improved chances that development impact might be achieved.

3.2.1 Promoting climate change and environment mainstreaming (Art. 2(6) and Art. 14)

The CIR contains two brief references to climate change and environment mainstreaming. Art (2 (6)) refers to the requirement of appropriate environmental screening, including for climate change and biodiversity impacts, at project level, and, where relevant, strategic environmental assessments for sector programmes. The CIR hereby reiterates provisions that already existed in previous legislative acts³⁵.

Art. 14 contains the requirement that an annual estimate of the overall spending related to climate action and biodiversity shall be made subject to an annual tracking system based on the Organisation for Economic Co-operation and Development (OECD) methodology ("Rio markers"), which should be integrated into the existing methodology for performance measurement of EU programmes. The data available from the Mid-term review of the MFF indicates that there is an upward trend regarding meeting climate targets.

Table 1 Climate mainstreaming 2014-2020 - totals (in million EUR)

	2014-2017				2018-2020 estimates		
Reporting Year	2014	2015	2016	2017	2018	2019	2020
DCI	379.9	497.9	639.8	682.5	748.5	803.7	837.2
IPA II	90.1	210.3	222.3	305.4	250.8	270.1	288.4
ENI	185.0	268.0	245.0	259.2	272.8	309.2	343.9
PI	20.9	20.5	29.9	23	30	30	30

Source: EU (2016) SWD accompanying the document Communication from the Commission to the European Parliament and the Council. Mid-term review/ revision of the multiannual financial framework 2014-2020. An EU budget focused on results SWD (2016)299 final

³⁴ EU (2011), Increasing the impact of EU development policy: An Agenda for Change COM(2011)637 final.

³⁵ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1) and Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985, p. 40).

In 2015, the DCI was on track in meeting the target. The EDF, not funded from the EU budget and therefore not included in Table 1, was well below the target (9.6%). However, it is worth noting that these scores represent a significant improvement compared to 2014 (DCI 16.8%, EDF 3.4%) and to the 2007-2013 period (DCI 10.8%, EDF 7%). DCI thematic spending even reached 29.1% in 2015.

Consequently, there is evidence that there has been significant mainstreaming of climate and environment action especially in the DCI since 2014³⁶. By contrast, progress was less noticeable in EDF countries. Similarly, and according to interviews conducted with senior EU staff in DG NEAR and EUDs, climate change and environment did not rank high among priorities in ENI and IPA-II countries.

Progress made seems to have evolved mostly in the context of the UN and the OECD culminating in the Paris Agreement (COP 21) adopted in November 2015. The EU actively contributed to the agendas of climate change and environment mainstreaming. The international agreements involved very stringent targets concerning the share of development co-operation funds to be spent on climate change. The EU applied these norms in its own action programmes, using a relatively strict methodology as compared to EU Member States. In conclusion, the CIR endorsed and promoted processes related to climate change and the environment, but it has by no means been a driving force.

3.2.2 Promoting human rights and fundamental freedoms (Art. 1(6) and Art. 4(2) 3rd paragraph)

In Art. 4 (2) 3rd paragraph, decisions to provide General Budget Support (GBS) and Sector Budget Support (SBS) are linked to an assessment of the commitment, record and progress of partner countries regarding democracy, human rights and the rule of law. Budget Support will be differentiated based on the political, economic and social context of the partner country, considering situations of fragility.

The CIR does not provide any guidance on how these principles and actions should be implemented and how challenges should be met in countries not or only partially complying with these requirements. The CIR only confirms long-standing and prominent principles and actions of the EU, but it does provide an additional legal underpinning to the promotion of human rights and fundamental freedoms.

For the DCI, the financial information from the Statistical Dashboard shows that 75% of all DCI commitments in 2014-2015 were marked as targeting participatory democracy and good governance (37% as main objective, 38% as significant objective). In ENI countries, according to the same source one third of commitments in 2014-2015 were targeting the same principles as main objective, and 26% as a significant objective. In IPA-II countries, during the same period, 42% of commitments had them as main objective and 18% as significant objective.

Promotion of democracy, the rule of the law and respect of human rights is in-built in all EFI Regulations. In the case of the EIDHR, these principles are even at the core of the entire instrument. They are part of the core objectives of most short- and long-term IcSP actions, e.g. on counter terrorism, Countering Violent Extremism (CVE), organised crime, and cyber security. In ENI countries, they are key in implementing incentive-based approaches, and in IPA-II countries progress in those matters is key for implementing further accession-related actions and/ or opening of negotiation chapters.

The overall conclusion is that the promotion of democracy, human rights and fundamental freedoms is well enshrined in EFI Regulations for each respective instrument and that these principles have been relatively well implemented. There is no evidence that the CIR had an additional effect in this regard.

3.2.3 Inclusion of criteria regarding accessibility for persons with disabilities (Art. 2(7))

The CIR includes a provision about people with disabilities. This reference is, however, very succinct and does not contain any specific guidance for implementation.

³⁶ Information from the Statistical Dashboard shows that 16.2% of DCI commitments for 2014-2020 were marked as being a main objective, 14.3% significant objective under the Aid to Environment policy marker.

There is hardly any evidence, from planning documents or external action monitoring reports, that people with disabilities receive adequate attention, even if their inclusion among marginalised, disadvantaged and vulnerable groups is considered. This reflects not only a weakness in the planning and monitoring system, but in all likelihood, considering other sources of information, e.g. the EUD survey, that there is insufficient action in this regard on the ground.

Some ad-hoc evidence is available from country case studies conducted by the EDF evaluation team. In Aruba, Timor Leste and Zambia, the issue of accessibility is not considered in the design and implementation of programmes and projects due to limited awareness and a perceived lack of guidance from headquarters about the issue. In Burkina Faso, Civil Society Organisations (CSOs) are encouraged to monitor the situation of vulnerable groups.

However, overall, the fact that the CIR refers to the needs of people with disabilities has at best had a neutral effect, i.e. it neither helped nor hindered the realization of these commitments.

3.2.4 Review of flexibility and speed of delivery in the field of comitology (Art. 2 (3) and Art. 3)

It has also been assessed to what extent the CIR lives up to its aspiration that implementing rules should contribute to the optimisation of impact. This could mostly be expected from sufficiently flexible comitology rules.

The CIR grants certain exceptions from the requirement that all (annual and multi-annual) action programmes, individual measures and special measures need to be approved by Committees composed of representatives of Member States. Exceptions are granted for a) individual measures for which the Union's financial assistance does not exceed EUR 5 million; b) special measures below EUR 10 million; and c) technical amendments to action programmes, individual measures and special measures, e.g. extensions of the implementation period, re-assignment of funds between actions contained in action programmes; increases or reductions of budgets by not more than 20% of the initial budget and not exceeding EUR 10 million (Art. 2 (3)).

There is a consensus among geographical directorates and thematic directorates in DG DEVCO, FPI and DG NEAR that funding thresholds for exemption from Committee approval for action programmes and individual and special measures (respectively EUR 5 and 10 million) are too low, as most actions involve funding that exceeds these thresholds.

This notwithstanding, the provisions are useful in a limited way, notably for small island states (individual measures) and some small (post) emergency and Linking Relief, Rehabilitation and Development (LRRD) programmes (special measures). Staff involved in the application of these provisions and interviewed for this evaluation did not experience a significant reduction in workload, but it was mentioned that there may have been some increase in the speed of delivery for special measures.

Exemptions granted for technical amendments to action programmes and individual and special measures are found more useful in practice, although the list of qualifying reasons for such adjustments is found not clear and exhaustive enough.

The threshold applied to support measures (EUR 10 million) is generally found to be adequate. These include expenditure, *inter alia*, on studies, meetings, training, publications, technical assistance, research activities and communication.

The EUD survey included questions soliciting comments on procedural and managerial processes. Articulate feedback was provided on the adoption of action programmes, individual measures and special measures³⁷. A significant number of EUDs find current rules in this regard too laborious and time-consuming (up to 1.5 – 2 years between identification and contracting). This is also confirmed by EFI evaluations, notably of the DCI and EDF³⁸, which reported that CSO-LA's experience significant challenges in accessing EU funding. In addition, many non-governmental and civil society stakeholders provided harsh comments during the OPC on the lack of transparency of EU rules and challenges met in taking advantage of EU support. This may

³⁷ Responses to EUD Survey Part I, Section 9.

³⁸ As the CIR evaluation has been conducted in parallel to EFI evaluations, including those of DCI and EDF, the reference is to draft versions of the reports.

indeed be more due to provisions in the Financial Regulation, but the fact is that the CIR did not contain innovations that would have eased this situation.

It must be concluded that comitology related provisions in the CIR, while offering limited gains to speed up delivery of small size actions, by and large remain too restricted to significantly enhance the ability of the EFIs to live up to the aspiration that EU action should be responsive to evolving local needs and contribute to optimal development impact.

3.2.5 Accountability, monitoring and evaluation (Art. 12 (1) and Art. 17)

The CIR contains a detailed provision on monitoring and evaluation (Art. 12 (1)). The Commission is required to monitor its actions and review progress made towards delivering expected results, covering outputs and outcomes. Independent external evaluations should assess the impact and effectiveness of sectoral policies, actions and programming. Evaluations shall be carried out based on pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators.

The CIR provision to strengthen monitoring of actions was a legal underpinning for the introduction of a comprehensive EU International Cooperation and Development Results Framework in 2015³⁹ in DG DEVCO. However, the groundwork for the Results Framework was laid in multiple policy documents asking for enhanced accountability of EU Action⁴⁰. Moreover, in 2013 a SWD was published “*paving the way for an EU Development and Co-operation Results Framework*.”⁴¹ According to senior staff in FPI, the DEVCO Results Framework is not entirely satisfactory for FPI, as FPI instruments deal with programmes and projects outside traditional development contexts (e.g. the IcSP) or in non-development countries (e.g. with the PI). Certain indicators (e.g. use of bed-nets, literacy) are not considered to be relevant for programmes run by FPI. This explains why FPI is developing its own Results Framework with a focus on appropriate quantitative output indicators as well as qualitative indicators at outcome and impact levels.

According to senior staff in DG NEAR, ENI and IPA-II monitoring experiences similar challenges with the DEVCO Results Framework. ENI uses the DEVCO Results Framework, but a revision is required to reflect Sustainable Development Goals (SDGs) and lessen emphasis on LDC relevant indicators. IPA has developed its own set of indicators, which is strongly related to pre-accession conditionalities, e.g. with proposed performance rewards in the form of funding incentives in exchange for good performance.

DG DEVCO has a long-standing tradition of evaluating development programmes with a focus on actions in geographical areas (countries) or on thematic areas. Evaluations were transversal and not limited to actions under single EFIs. Before 2014, the establishment of baselines and indicators was not systematically required, resulting in a certain diversity among evaluations, as far as basic parameters were concerned.

The requirement in the CIR that evaluations should be carried out based on “*pre-defined, clear, transparent and, where appropriate, country-specific and measurable indicators*” (Art. 12(1)) was part of a general call in the European Parliament and Council for enhanced results-based management. According to senior staff interviewed, this led to an adjustment of DG DEVCO evaluation practice.

In their responses to the EUD survey, several EUDs find rules on monitoring and evaluation adequate, but observe that EUDs are not sufficiently involved in evaluations and that too much use is made of costly external consultants.

³⁹ Commission Staff Working Document SWD (2015) 80 final, EU International Cooperation and Development Results Framework.

⁴⁰ The 2011 Agenda for Change in the EU Development Policy already included the following statement: The EU should develop a common framework for measuring and communicating the results of development policy, including for inclusive and sustainable growth. In line with the Operational Framework on Aid Effectiveness, the EU will work with partner countries and other donors on comprehensive approaches to domestic and mutual accountability and transparency, including through the building of statistical capacity. Page 11.

⁴¹ SWD(2013)530 final.

3.3 EQ 3 on coherence

To what extent have the implementing rules enhanced coherence, complementarity, synergies and added value between individual instruments, and across the set of instruments as well as more coordinated ways of working (division of labour)?

Annual Report on EFIs: As from 2015, a common Annual Report on all EFIs, including those managed by DG DEVCO, FPI and DG NEAR, became mandatory. It required an extensive consultation between these DGs and services. The challenge was to adapt the choice of indicators to the realities also of non-LDC countries and to ensure overall consistency of indicators. Benefits in terms of enhancing internal coherence in the reporting on EFIs outweighed the fact that the publication of the 2015 Report was considerably delayed.

Visibility: The link between practices to enhance EU visibility, i.e. project a coherent image of EU external action, and the CIR is relatively weak. References to EU visibility in the CIR remain at a general level. CIR provisions provide the legal underpinning to common practice that has existed at least since 2010.

Overall role of CIR to promote more coordinated ways of working: Based on a review of two proxy indicators (use of country systems; and involvement of stakeholders in beneficiary countries), there is no evidence that the CIR made a difference in enhancing external coherence, complementarity, synergies and added value. On the use of country systems through general and SBS the CIR has mostly just endorsed provisions that date back to 2012 and was not a driver of change. There is also no evidence that provisions in the CIR influenced or modified extensive interfaces with Civil Society Organisations (CSOs) and Local Authorities (LAs). The CIR did provide an additional legal underpinning to these endeavours. Various provisions on eligibility and contracting provided additional incentives for CSO stakeholder involvement, which have still been found insufficient by some stakeholders (see section 3.4 on efficiency).

The CIR contains only a very brief explicit reference to coherence, complementarity and synergies in its Preamble (paragraph 8). The provision places coherence and complementarity into the context of the most efficient use of available resources to optimise the impact of the external action of the Union as well as, where appropriate, the leverage effect of the instruments. Reference is also made to the creation of synergies between the Instruments and other policies of the Union in view to achieve mutual reinforcement of the programmes under the instruments.

To what extent the CIR contributes to the achievement of impact has been covered under EQ 2 on effectiveness. Efficiency aspects are dealt with under EQ 4 and effects on leverage under EQ 5. Under this EQ, coherence and complementarity between EFIs (internal coherence) are considered through two proxy indicators: a) annual reporting to the European Parliament and Council (Art. 13); and b) promoting visibility Preamble paragraph 11 and Art. 4 (5)). More coordinated forms of working (external coherence) are assessed with two other proxy indicators: a) use of country systems (Art. 4 (2)); and c) involvement of stakeholders in beneficiary countries (Art. 4 (11) and 15).

3.3.1 Annual reporting to the European Parliament and Council (Art. 13)

The CIR requires submission, to the European Parliament and the Council as well as to the European Economic and Social Committee and the Committee of the Regions, of a consolidated Annual Report, as from 2015, concerning all the EU's external financial assistance. The report hence needs to draw together information from, inter alia, DG DEVCO, FPI, and DG NEAR. This activity has given a major boost to coherence, as the different DGs and services were required to closely co-operate, to make data and information compatible and consistent.

The reporting requirements are very detailed and cover achievement of the objectives of all EFIs by means of indicators, measuring the results delivered and the efficiency of the individual Instruments. A considerable level of detail is required, e.g. information on the involvement of relevant partners, the implementation of budgetary commitments and of payment appropriations broken down by country, region and co-operation sector. The report is also to assess, where possible and relevant, the adherence to aid-effectiveness principles, including innovative financial instruments (Art. 13).

An extensive consultation between the above-mentioned directorates and services took place throughout 2016 for the compilation of the data that would feed into this report. As for monitoring

and evaluation (see section 3.2.5), the challenge was to adapt the choice of indicators to the realities of non-LDC countries and ensure overall consistency of indicators. The down side was that due to these challenges the publication of the report was considerably delayed (it only occurred in December 2016), but the benefits in terms of enhancing coherence in the reporting on EFIs outweighed this disadvantage.

3.3.2 Promoting visibility (Preamble paragraph 11 and Art. 4 (5))

References to EU visibility in the CIR remain at a general level. The Preamble calls for targeted communication and information by adequate means targeted at citizens of beneficiary countries and the Union citizens (paragraph 11). Art. 4(5) mentions measures to impose visibility requirements on recipients of EU funds, except in duly justified cases. The Commission shall be responsible for monitoring recipients' compliance with these requirements (Art. 4 (5)). The provisions are understood to aim at projecting to the external world an image that EU external action is coherent and that the different instruments are complementary to each other.

CIR provisions provide the legal underpinning to common practice that has existed at least since 2010⁴². The link between all these practices and the CIR is relatively weak. External Assistance Management Reports (EAMRs) and responses to the EUD survey show comprehensive efforts by EUDs to ensure EU visibility not only through the organisation of public events, but also through social media and by obliging contract partners to make references to the EU. According to senior staff interviewed at headquarters, there are challenges to make international organisations (e.g. the World Bank, UN organisations) fully compliant with EU visibility requirements. In some cases, there is a tension at partner country level to reconcile the goals of national ownership and EU visibility. The EIDHR evaluation reports cases, where visibility would be highly dangerous and expose beneficiaries to considerable risk given the shrinking space for civil society (including laws forbidding CSOs from receiving any foreign funding) and where the rules cannot be applied.

During the OPC, several commentators expressed the concern that EU visibility may actually have decreased in the recent past and that the EU has not been successful in conveying its core values and principles. They suggested that one way to address this issue would be to better include Member States in the implementation of EU external action, including local authorities (regions) from within the EU. This dimension is not addressed in the CIR.

3.3.3 Use of country systems (Art. 4 (2))

The use of systems of partner countries is primarily realised in countries that receive GBS) and SBS⁴³. This is considered a prime driver for more coordinated forms of working in partner countries. A significant change in budget support approaches and procedures was introduced in the 2012 Budget Support Guidelines⁴⁴.

The new system distinguishes between a) countries having been found to have good governance through a fundamental assessment, in which case respect of these principles and requirements is not a problem; b) countries in need of state building support, i.e. fragile countries due to political upheaval or natural disasters, supported on a short-term basis; c) countries in need of SBS, in which a rights-based approach is required (especially for justice reform and education).

The Risk Management Framework for countries under b) and c) includes criteria like respect of human rights and fundamental freedoms. Risks may be low, median, substantial or high. BS is accompanied by some form of performance assessment, policy dialogue and capacity building. The approach allows for a tailor-made approach to specific country situations as well as constructive corollaries to mere conditionalities such as policy dialogue and capacity building.

⁴² Communication and Visibility Manual for European Union External Actions 2010. How visibility was dealt with before 2010 is extensively addressed in the Evaluation of visibility of EU external action (2005-2010) http://ec.europa.eu/europeaid/evaluation-visibility-eu-external-action-2005-2010_en.

⁴³ Besides budget support, there are other openings for the (partial/total) use of country systems, which are not covered in this section.

⁴⁴ EU (2012) Budget Support Guidelines. Programming, Design and Management – A modern approach to Budget Support. Tools and Methods Series. Working Document.

An analysis of Dashboard data for the period 2010-2015 suggests that the performance of the EDF in terms of the use of Budget Support is higher than that of the DCI⁴⁵. Similar trends are also observed in ENI and IPA-II countries⁴⁶. But senior staff in both DG DEVCO and DG NEAR attribute these results rather to the new Budget Support procedures introduced in 2012 than to the CIR. The CIR has mostly just endorsed the innovations rather than having been the driver of change. It provided an additional legal underpinning to this practice, but no additional guidance how challenges could be addressed in countries that do not fully respond to EU standards and expectations as to democracy, human rights and fundamental freedoms. There are also limitations to the leverage that financial envelopes have especially in middle-income countries (ENI, IPA-II and DCI countries that have graduated from LDC status).

3.3.4 Involvement of stakeholders in beneficiary countries (Art. 4 (11) and 15)

Another dimension of coordinated forms of working is involvement of stakeholders in beneficiary countries. In Art. 4 (11), the CIR stipulates that specificities of stakeholders of beneficiary countries, including needs and context, should be considered when defining modalities of financing, the type of contribution, the award modalities and the administration of grants. The aim is to reach the widest range of such stakeholders. Art. 15 calls for consultation with and involvement of relevant stakeholders in the implementation process, including CSOs and LAs.

There is abundant evidence from DCI, EIDHR, ENI, IPA-II, IcSP, PI and EDF inputs to the CIR evaluation that the EU actively seeks to provide strategic support to CSOs as domestic governance actors and gives a more meaningful role to non-governmental stakeholders in the preparation, implementation, monitoring and evaluation of EU co-operation policies and programmes. The PI and IcSP evaluations report that stakeholders were satisfied as to the level of consultation involvement in project design and implementation. The best examples of coherence and complementarity between governmental and non-governmental support and even between EFIs are in this area.

Good illustrative evidence may be drawn from the EIDHR input to the CIR evaluation. According to senior staff interviewed by the EIDHR team, DG DEVCO has held regular consultations with civil society on several occasions. Moreover, the Annual Action Plan (AAP) (2014) and Multi-Annual Action Plan (MAAP) (2016-17) include clear indications of beneficiary participation in the design and implementation of EIDHR financed interventions at strategic and implementation level. Such interfaces have a long tradition. Specific provisions in the CIR (Art. 4 (11) and 15) provided an additional legal underpinning to these endeavours and various provisions on eligibility and contracting provided additional incentives for CSO stakeholder involvement (see section 3.4 on efficiency). There is evidence of beneficiaries' participation, in accordance with Art. 15 of the CIR, in the design and implementation of EIDHR financed interventions at strategic and implementation level, although some beneficiaries raised concerns in this regard, as they were not sure, if their voices had been heard.

3.4 EQ 4 on efficiency

To what extent have the implementing rules contributed to timely and cost efficient forms of working?

Rules on nationality and origin: CIR rules on nationality and origin mostly confirmed a continuous trend towards untying of aid since 2010 and, while providing an additional legal underpinning, they did not enhance timeliness and cost-efficiency in the delivery of EU actions.

⁴⁵ In 2010, the share of BS disbursements as compared to total disbursements was proportionately higher for the EDF instrument than for the DCI (34% against 12%). During the period 2010-2014, the respective share of total disbursements increased steadily for DCI, whilst decreasing rather sharply for EDF. After 2014, the share of BS in total disbursement has increased sharply for both instruments, but, in the case of EDF, not to the level of 2010.

⁴⁶ Almost one third of ENI resources during the 2014-2015 period were committed through budget support programmes: 21% for sector budget support, 9% under general budget support (mainly State Building Contracts). In IPA-II countries, the introduction of sector budget support as part pre-accession assistance as from 2014 was an innovative element that fostered ownership and policy dialogue (also within national institutions) already during its planning and preparation.

To what extent have the implementing rules contributed to timely and cost efficient forms of working?

For the IcSP, the CIR confirmed the global reach of the instrument and its status as fully untied.

Eligibility criteria: By contrast, the introduction of more liberal eligibility criteria increased the flexibility and responsiveness notably of the EIDHR, as it eased requirements imposed on recipients of grants allowing for greater flexibility and speedier delivery of contracts to respond to urgent needs. The degree of flexibilisation is, however, still found to be insufficient by EUD staff and by CSOs and LAs themselves.

Use of local and regional contractors: Based on responses to the EUD survey, it is found that CIR provisions on the use of local and regional contractors resulted in a significant increase in the relative share of volume of funds used for local contractors in DCI and EDF countries between 2013 and 2016. The number of local and regional contracts decreased in DCI countries and only increased slightly in EDF countries during the same period. The share in terms of total volume rose significantly, as the contracts were larger in size. With the caveat that survey data do not adequately reflect the total picture of contracting, this would represent an efficiency gain.

3.4.1 Untying of aid due to provisions on nationality and origin and eligibility criteria / flexibility / speed of delivery (Art. 8-11)

According to the OECD, the EU had already become a relatively good performer in terms of untying of aid by 2014. The monitoring data from the latest round of the Global Partnership for Effective Development Co-Operation (GPEDC) shows that the EU institutions have substantially increased the share of untied aid between 2010 (47.7%) and 2014 (65.6%)⁴⁷. More recent data are not available. These trends have mostly occurred in EDF and DCI countries.

In IPA-II and ENI countries, most assistance is tied to EU Member States and countries on a reciprocal basis, with few exceptions (respectively Art. 10 for IPA-II and Art. 9 for ENI). For ENI, it was a step forward that untying was extended to Highly Indebted Poor Countries and all developing countries outside the G-20 group.

Untying aid was also beneficial to the IcSP, as the CIR confirmed the global reach of the instrument and its status as fully untied. Art. 11(1) of the CIR provides IcSP with a derogation to the application of the Common Rules (art 8). The award of procurement contracts or grants under the IcSP is open without limitation of nationality, allowing flexibility to contract based on expertise, capacity, or other.

The CIR further liberalised eligibility of tenderers, applicants and candidates with beneficial effects reported for ENI and IcSP. CIR rules on eligibility criteria had a positive effect on the speed of delivery of contracts for EIDHR. The rules related to small grants have been of critical importance to ensure that support is available to Human Rights Defenders (HRDs) at risk (including imprisonment, enforced disappearance and assassination).

Rules in Article 11 of the CIR allow for grants to be provided to entities without legal personality, and, in exceptional and duly justified cases, other bodies or actors not identified in Article 11 when this is necessary to achieve the objectives of the EIDHR⁴⁸. This includes the possibility of funding to 'for profit' organisations, which has considerably increased the flexibility and responsiveness of the EIDHR. This unique feature of the EIDHR allows support to be provided to individual HRDs and organisations despite the shrinking space created by restrictive legislation for the registration of NGOs in numerous countries and the introduction of legislation, in some countries, forbidding or limiting the amount of foreign funding CSOs may receive.

Rules on nationality and origin and eligibility rules do not appear prominently in responses to the EUD survey question concerning unintended benefits or problems arising from implementing rules. Most responses do suggest, however, that EUDs are appreciative of the further liberalisation introduced in 2014, but also that eligibility rules are among the factors, why contract procedures are still felt to be complex and challenging in their implementation, notably by national

⁴⁷ See the GPEDC monitoring data available at: <http://effectivecooperation.org/monitoring-country-progress/explore-monitoring-data/>.

⁴⁸ Article 11 (2) (c) of the CIR.

partners, and not always adapted to local and regional realities. Similar comments were made by CSO and LA respondents during the OPC.

In conclusion, while CIR rules on nationality and origin mostly confirmed a continuous trend towards untying of aid since 2010 and provided an additional legal underpinning, the introduction of more liberal eligibility criteria increased the flexibility and responsiveness notably of the EIDHR, as it contributed, albeit to an insufficient degree, to easing requirements imposed on recipients of grants allowing for greater flexibility and speedier delivery of contracts to respond to urgent needs.

3.4.2 Participation of local and regional contractors (Art. 8 (6))

The CIR provides that priority should be given to local and regional contractors based on a single tender to promote local capacities, markets and purchases (Art. 8 (6)).

Given the principle of fair competition in public tendering, the promotion of local and regional contractors occurs mainly in cases of small value contracts for which no public tendering is required.⁴⁹ Such small value contracts can primarily be found within the imprest components of programme estimates (PE).

Data from the PE imprest components have been reported through the EUD survey, with significant statistics emerging from DCI and EDF countries. It is found that there has been a significant increase since 2014 in terms of relative share of volume of funds used for local and regional contractors (DCI: from 37% in 2013 to 52% in 2016; EDF from 11% in 2013 to 94% in 2016). In contrast, the share of number of contracts concluded with local contractors as compared to the total average number of contracts decreased in the case of DCI (from 87% to 69%) and only increased slightly for EDF (from 71% to 82%). With the caveat that survey responses do not reflect the total picture of contracting, it could be concluded that, on average, local contractors were granted fewer contracts in 2016 than in 2013, but the share in total volume rose significantly, as the contracts were larger in size.⁵⁰ This would represent an efficiency gain.

There is a credible association between these developments and the provision contained in CIR Art. 8 (6) stipulating that priority should be given to local and regional contractors. Results achieved in EDF countries were also due to provisions in Annex IV of the Cotonou Agreement, which give preference to African, Caribbean, and Pacific Group of States (ACP) contractors⁵¹.

3.5 EQ 5 on leverage

To what extent have the CIR implementing rules contributed to making the leverage of further funds or political / policy engagement possible?

Leverage of funds: CIR Art. 3 makes it possible to group several innovative financial instruments into facilities for implementation and reporting purposes. While in line with the requirement in the Financial Regulations to conduct ex ante assessment and ex post reporting, the CIR provision significantly improved the implementation and impact of the innovative financial instruments, as the processes could be speeded up.

Leverage of political / policy engagement: CIR general financing provisions on GBS and SBS specifically call for a policy dialogue, inter alia to promote democracy, human rights and rule of law, support sustainable and inclusive economic growth and eradicate poverty. In practice, it was found that the combination of consequential funding with political dialogue determines the leverage that the EU can exercise with partner governments and other development actors. Insistence on democracy and human rights, including gender equality, does not always produce the necessary effects in countries not or only partially espousing these values.

⁴⁹ Single tender procedures for contracts of less than or equal to EUR 20.000,00 are described in Section 2.4. of the PRAG.

⁵⁰ This information is based on the responses of 20 EUDs for DCI countries and 20 EUDs for EDF countries.

⁵¹ Annex IV of the Cotonou Agreement.

3.5.1 Leveraging of financial resources (Art. 4 (1) e) and (3))

CIR Art. 3 makes it possible to group several innovative financial instruments into facilities for implementation and reporting purposes. This CIR provision significantly improved the implementation and impact of the innovative financial instruments, as according to staff involved in the application of this provision, the processes could be speeded up.

The use of innovative financial instruments such as loans, guarantees, equity or quasi-equity, investments or participation and risk-sharing instruments, has become a prominent feature in the EU's financial assistance under the 2014-2020 MFF. The reference to these financial instruments in the CIR is relatively succinct (Art. 4(1)(e))⁵². In another paragraph (Art. 4(3)), an important provision is mentioned that financial instruments may be grouped into facilities for implementation and reporting purposes.

Progress is noted under the DCI, ENI, IPA-II and EDF instruments, as the volume of EU financial resources used in these ways increased in recent years and unlocked considerable amounts of resources from other sources⁵³. These innovative financial instruments are based on the Financial Regulations and constitute a particular form for indirect implementation of non-repayable forms for support (grants) and repayable forms of support (financial instrument) funded by the EU budget to eligible entities, which also contribute with their own funds.

The use of innovative financial instruments in external action differs from the use of those instruments within the EU, as these instruments are rather small and usually tied to individual projects that require quick reaction and action. The requirements for financial instruments stemming from the Financial Regulations for ex ante assessment and ex post reporting are to be fulfilled on the level of a facility that groups several of these financial instruments, according to CIR Art. 4 (3). This provision significantly improved the implementation and impact of the financial instruments, as the processes were speeded up and projects could be implemented in a shorter time, avoiding lengthy and costly procedures while at the same time being in line with the Financial Regulations.

The CIR specifically also requires that there should be, whenever possible, the lead by the European Investment Bank (EIB), a multilateral European financial institution, such as the European Bank for Reconstruction and Development (EBRD), or a bilateral development bank. This requirement seems to have been adhered to especially under the ENI, IPA-II and the EDF.

3.5.2 Leveraging of political engagement by other development actors (Art. 4 (3))

There is relatively little reference to leveraging of political engagement by other development actors in the CIR. The closest mention is in Art. 4 containing general financing provisions, e.g. general and SBS (see also section 3.3.3). Art. 4(2) mentions mutual accountability, shared commitments to universal values and the aim of strengthening contractual partnerships between the Union and partner countries to promote democracy, human rights and the rule of law, support sustainable and inclusive economic growth and eradicate poverty.

Evidence from the survey among EUDs and responses from the EFI evaluation teams to the common questionnaire shows that the combination of consequential funding with political dialogue determines the leverage that the EU can exercise with partner governments and other

⁵² The CIR is referred to in the DCI Regulation (Art. 3 (8) d), which does, however, contain additional requirements, e.g. due regard to the issues of debt sustainability, the number of such mechanisms, and the requirement for systematic assessment of the impact in accordance with the objectives of the DCI Regulation, in particular poverty reduction.

⁵³ For the DCI, the Operational Report for the Investment Facility for Central Asia (IFCA), Asia Investment Facility (AIF) and Investment Facility for the Pacific (IFP) estimates that in the eight years that the blending mechanism has been in place, EUR 2.7 billion in EU assistance has been used to unlock EUR 50 billion in private sector investments.

Under the ENI, most of the potential of financial leeway of blending is tapped by the Neighbourhood Investment Facility (NIF) since 2009, in association with EIB and EBRD. The total value (estimation) of the contracts signed under NIF (between 2014 and 2016) is EUR 631 million. The countries in the Southern Neighbourhood represent 61% of the signed contracts.

Under IPA-II, blending is promoted in the Western Balkans, mainly through a combination of the Western Balkans Investment Framework (WBIF), IPA-II grants and loans provided by the European Investment Bank and other International Financial Institutions.

Under the EDF, the aggregate amount of grants for blending projects provided by four facilities has increased significantly in the last couple of years. The lion's share of these funds is attributable to the EU-Africa Infrastructure Trust Fund (EU-AITF) and, since 2016, to the Africa Investment Facility (AfIF).

development actors. However, whether this effectively happens in practice, depends on the context-specific political economy conditions prevailing in each partner country / region and on the space available for a genuine political dialogue. This is more challenging in countries that have their own resources and rely less on external financial assistance. Insistence on democracy and human rights, including gender equality, does not always produce the necessary effects in countries not or only partially espousing these values. Leverage is often more effective at the sectoral and technical levels than at the high end of policies, but this is not a dimension referred to explicitly in the CIR.

4 Conclusions

4.1 Conclusion 1: Fitness for purpose

For EFI formulation, implementation, monitoring and evaluation, the CIR has proven most fit for purpose in the following areas: it increased flexibility in certain domains, e.g. by admitting multi-annual action programmes and it liberalised rules on nationality and origin and eligibility criteria, with benefits especially for CSOs. The CIR also provides for ampler use of country systems, involvement of local stakeholders and the use of local and regional contractors. Accountability has also been enhanced through the strengthening of monitoring and evaluation and a more comprehensive Annual Report on EFIs. However, the CIR has only partly proven fit for purpose in terms of simplification of implementing procedures (see conclusion 3) and in creating procedures in support of coherence and complementarity (conclusion 5). The selective inclusion of substantive themes (climate change and environment; democracy and human rights; persons with disabilities) and implementing rules played no significant role in enhancing the achievement of respective goals within the delivery of each EFI and in optimising the impact of EU external action (conclusion 4).

This conclusion is based on all EQs.

4.2 Conclusion 2: Harmonisation

The value of the CIR has been that it harmonised implementing rules for all EFIs, i.e. concerning formulation, implementation, monitoring and evaluation. Harmonisation has, to a large extent, been achieved for comitology procedures, general financing provisions (notably GBS and SBS), common rules on nationality and origin (untying of aid), eligibility criteria and monitoring and evaluation. However, given the diversity of EFIs, the level of ambition on harmonisation remained at a modest level. Specific provisions had to be designed to respond to the needs of individual EFIs, in the CIR itself for financing provisions and eligibility rules, in EFI Regulations (e.g. on innovative financial instruments) and in dedicated additional Implementing Regulations (IPA-II and ENI, the latter specifically on cross-border co-operation programmes). The commonality of rules was sought after, but the CIR was challenged by the fact that one size does not fit all.

This conclusion is based mainly on EQs 1, 3 and 4

4.3 Conclusion 3: Simplification

The CIR did not result in much simplification of rules. In the first place, general and specific implementing rules both inside and outside the CIR result in a complex legal architecture. Secondly, the CIR did not make comitology rules less restrictive, as it allowed only for limited exceptions from examination procedures by Committees. Thirdly, rules on nationality and origin and eligibility criteria, though useful and aiming at flexibilisation especially for CSOs and LAs, remain complex and difficult to explain to external stakeholders. Lastly, more stringent requirements for monitoring and evaluation and for the Annual Report on EFIs enhance accountability, but also pose challenges for compatibility between multiple indicators in different EFI contexts.

This conclusion is based mainly on EQs 1, 3 and 4.

4.4 Conclusion 4: Impact

The CIR does not make a sufficiently convincing contribution allowing EFIs to meet the aspiration expressed in the preamble of the Regulation that the Union should seek the most efficient use of available resources to optimise the impact of external action. The lengthy procedures required for action programmes, individual measures and special measures hamper the EU's overall capacity to respond in a timely and adequate manner to evolving needs of stakeholders and changing partner country contexts. While the liberalisation of rules on nationality and origin, eligibility criteria and the increased use of country systems and local contractors has, to a certain extent, resulted in more flexibility, the level of ambition to optimise impact has remained relatively modest. There is also no evidence that provisions in the CIR influenced or modified extensive interfaces with CSOs and LAs or facilitated the access to EU funding for these actors. There is strong evidence from the OPC, the EUD survey and from the EFI evaluations that many CSOs and LAs experience access to EU funding as cumbersome. In addition, the following dimensions are addressed only at a very general level: firstly, climate change and environment action and, secondly, how to consider criteria regarding accessibility for people with disabilities. The CIR remains mute on major themes like gender mainstreaming, migration and security. The (selective) inclusion of such substantive clauses in the CIR (which are already foreseen in the various EFIs) has not provided additional incentives to headquarter units and EUDs to engage on these matters.

This conclusion is based mainly on EQs 1, 2, 4 and 5

4.5 Conclusion 5: Coherence

Commonality in implementing rules could raise the expectation that there is a beneficial effect for coherence as well as complementarity and synergies between EFIs. However, the CIR does not contain any provision to overcome the fact that different EFIs operate in different compartments with distinct action programmes, individual and special measures. For example, the absence of provisions in the CIR for the systematic use of joint examination procedures or - at a minimum - joint calls for proposals between at least two EFIs operating in the same country or region or on related themes is a missed opportunity.

This conclusion is based mainly on EQs 1 and 3.

5 Recommendation

Given the fact that the CIR has proven valuable for further harmonisation of implementing rules across EFIs, including the EDF, the EU may wish to consider, at the design stage of the next generation of EFIs, to maintain the approach of a common transversal Regulation for formulation, implementation, monitoring and evaluation of EFIs.

While further simplification and optimisation of impact may go beyond the scope of the CIR without a more far-reaching reform of the EU regulatory framework, e.g. a complete revision of the Financial Regulation and comitology rules, the next CIR could take advantage of its transversal nature by systematically requiring examination procedures for joint action programmes, individual and special measures that involve financial assistance from more than one EFI. This would create a structural approach to enhancing complementarity and synergies between EFIs.

This recommendation is linked to all conclusions. Main implementation responsibility: Secretariat General (SG), European External Action Service (EEAS), DG DEVCO, FPI, DG NEAR