

To: Mr. Stefan Fule

Commissioner for Enlargement and Neighborhood

30th November 2011

Dear Commissioner

We would like to appeal for further efforts in order to ensure that new Financial regulation for Neighborhood (ENI) would become the effective tool for delivering objectives of Treaty of Lisbon, the new EU budget and Europe 2020. Where we find important the elements of change introduced in EC's recent Communications on the "*A new response to a changing neighbourhood*", we believe the need for global action on Europe 2020 objectives and democratisation process in the region require much more decisive change in the EU financial instruments.

CEE Bankwatch Network has more than 5 years of experience been involved in monitoring of the implementation of the European Neighborhood Instrument in East ENP countries. With this present submission we would like to focus your attention on ENPI impacts especially in terms of the sustainable and democratic development of the neighborhood and propose some mechanisms that would allow the new ENI to respond the challenges experienced by countries both in East, as well as in South Neighborhood.

Hereby we would like to once again stress the main recommendations to European Commission, that should strive to ensure in new regulation:

EU funding (both direct and indirect) should add value to EU objectives reduction of poverty, gender equality, sustainable employment growth, social and environmental investments. Funding should prioritise green and low carbon economic development with significant improvement of quality of life, with a specific measures for areas like energy efficiency, new renewables, resource efficiency, public transport development schemes, green infrastructure but not fossil-fuelled power stations, airports etc.

Endorsement of a coherent and consistent external policy actions through EU instruments, EU banks involvement and bilateral assistance that enhance the principle for simplification of the financial instruments and in-country harmonization required by the new Multiannual Financial Framework and the Aid effectiveness principles.

Increase alignment with the EU Treaty and Europe 2020 objectives, through "support partner countries' adoption of policies conducive to stronger, sustainable and more inclusive growth, to the development of micro, small and medium-sized companies and to job creation sustainable and economic growth and job creation", through real implementation of The EU 2020 Initiative "Resource efficient Europe", that highlights the need to cooperate closely with key partners including those in neighborhood in order to achieve the higher level of environmental protection.

development of comprehensive system to ensure resulted oriented use of the EU assistance, through performance framework (system of objectives, targets, priorities and indicators) that is considered in the context of a policy life cycle and specific governance structures.

transparent, participatory and democratic process for decision making, implementation and evaluation of the country programs should be made as legally binding requirements for use of the EU assistance.

Recognize the right to appeal of the non-EU citizens affected by the EU assistance ;

Development of measures to ensure concentration of the EU support for strategic priorities in plans, programmes, policies and sectoral and regional priorities and introduce ex-ante conventionalities to mainstream environmental sustainability, the conservation of ecosystems, natural resources and biological diversity, a climate change measures and freshwater security... The EU Cohesion Policy approach of ring-fencing a certain amount of EU support should be considered for environmental protection and climate change mitigation and adaptation where we see necessary at least 25% are committed.

Increase alignment with the EU Treaty and Europe 2020 objectives, through “ support partner countries' adoption of policies conducive to stronger, sustainable and more inclusive growth, to the development of micro, small and medium-sized companies and to job creation sustainable and economic growth and job creation”, through real implementation of The EU 2020 Initiative “Resource efficient Europe” , that highlights the need to cooperate closely with key partners including those in neighborhood in order to achieve the higher level of environmental protection.

Sincerely Yours,

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