Multiannual Financial Framework 2014-2020: Heading IV - External relations

“The EU as a global player”
MFF proposal 2014-2020
29 June 2011 (€ 2011 prices)

- Heading 1 – Smart and inclusive growth = 491 bn
- Heading 2 – Sustainable growth = 383 bn
- Heading 3 – Security and citizenship = 18.5 bn
- Heading 4 – Global Europe = 70 bn € (6.8%)
- Heading 5 – Administration = 62.6 bn €

Total MFF = 1,025 Bn (1.05 % of GNI)
1.1. External action – Main messages

- Structure / instruments mainly continue from current MFF but adapted to changing world and changing EU
  - New opportunities of the Lisbon Treaty & the EEAS provide platform for a more effective external action
    - Strengthened role for EU Delegations
    - Increased coherence and consistency
  - Overall budget increases by 20%
    - Strong development focus remains to contribute to the 0.7% GNI commitment to ODA and to achieve MDGs
    - Enlargement and Neighbourhood remain high priority (Arab Spring)
  - New Partnership Instrument replaces ICI+ to advance EU interests worldwide
1.2. Major objectives (in line with Art 21 TEU)

- Promote **EU values** (Democracy, Human Rights, Rule of law)
- Contribute to the achievement of the **MDGs**
- Enhance external projection of **internal policies** and promote **EU interests** worldwide
- Invest in **EU’s Neighbourhood**
- Underpin our commitment to **Enlargement**
- Strengthening **international security** by improving crisis prevention and resolution capabilities
- Demonstrate **solidarity** with people facing man-made or natural disasters
- Promote **stronger multilateral co-operation** and better global governance to tackle common challenges
1.3. Increasing the efficiency and impact of external spending

- Greater **strategic focus** to drive a simplified multiannual programming cycle
- Improve the **architecture of instruments** (overlaps /gaps between instruments)
- Increase **flexibility** (allocations, programming, implementation)
- Reduce **dispersion** of activities and spending
- Promote **Aid effectiveness** (alignment, division of labour, untying of aid, joint programming and blending with loans)
1.4. Instruments / Envelopes in current prices (1)

- Pre-accession instrument: 14,110 M€
- European Neighbourhood Instrument: 18,182 M€
- Development Cooperation Instrument: 23,295 M€
- Partnership Instrument: 1,131 M€
- Instrument for Stability: 2,829 M€
- European Instrument for Democracy & Human Rights: 1,578 M€
- Instrument for Nuclear Safety Cooperation: 631 M€
- Instrument for Greenland: 219 M€

Outside budget:

- European Development Fund: 34,276 M€

(1) As translated by DG BUDG from the 29 of June Communication
2. Common Implementing Regulation for all instruments (except EDF and Greenland)

- New harmonised, simplified & flexible decision-making procedures common to 4 geographic instruments (DCI, ENI, IPA, and PI) and 3 thematic instruments (IfS, EIDHR, INSC)

- Implementing measures to be adopted faster, thus accelerating the delivery of EU assistance

- Provisions on implementation significantly simplified (consistency with the review of the Financial Regulation)

- Use of innovative financial tools (e.g. blending)

- Specific situation of IPA and ENI where the special characteristics of pre-accession and cross-border cooperation will require additional implementing rules and procedures
3.1. Development Cooperation Instrument - DCI: Structure

- Eradication of **poverty** in the context of sustainable economic, social & environmental development, democracy, good governance & support for human rights, through:

- **Geographic programmes (14,491.5 M€):** bilateral & regional cooperation with developing countries outside ENI, IPA & EDF

- **Thematic programmes:**
  - **Global public goods and challenges (6,000.3 M€):** climate change & environment (no less than 50% will be Rio-compatible), energy, human development (“Agenda for Change”: 20%), food security, migration
  - **Civil society organisations & local authorities (1,802.9 M€):** to empower these actors to take part in development strategies & processes

- **Pan-African programme (1,000 M€):** for Africa-EU Strategic Partnership
3.2. DCI: Main innovations (1)

- Formulation of **objectives & general principles** in line with the EU Treaties & the latest policy trends
- Enhanced **importance of human rights**, democracy and good governance
- **Differentiated approach** reflecting needs, capacities & performance of partner countries, & target EU aid where it can have most impact: **LDCs** are the key priority
  - No more bilateral envelopes for countries representing more than 1% of the world’s GDP and/or Upper Middle Income Countries
  - Criteria duly adjusted for specific cases (e.g. South Africa, Cuba)
- Greater **sectoral concentration** at country level
- Improved **EU coordination** through joint EU & Member States framework document & enhanced possibilities for **joint programming**
3.2. DCI: Main innovations (2)

- **Strengthened democratic scrutiny** for EP (delegated acts)

- **Flexibility for a faster decision-making**
  - particularly in cases of crisis, post-crisis and fragility
  - unallocated funds
  - programming process (and review)
  - single ‘Global public goods and challenges’ programme

- **Simplification of programming**
  - CSPs may be replaced by other existing strategy documents
  - alignment with national cycle
4. 11th EDF Internal Agreement

- Cooperation with **ACP**s & **OCTs** (outside the Budget)

- Communication with, in annex, a draft **Internal Agreement** which MS are ‘invited to consider’ (no formal proposal)
  - Only covers the broad financial envelopes
  - Elements on programming & implementation at a later stage: implementing & financial regulations (in 2012/2013)
  - No major modifications compared to the structure of the 10th EDF
  - Further **alignment of MS contribution keys** with budget keys
  - Inclusion of new elements from the **Cotonou revision** (regional B-envelopes, shock-absorbing schemes)
  - Needs to be ratified by all MS (around to 2 years)

- **In parallel, presented for adoption**: New financial protocol of the Cotonou Agreement
5. European Instrument for Democracy and Human Rights - EIDHR

- **Scope fully preserved** (absence of third country consent; flexibility for difficult cases; complementarity to other instruments) and **updated with developments** since 2007 (support to democracy; economic & social rights; freedom of thought)

- **EU Election Observation Missions** remain a key component

- **Objectives better defined**: protection of human rights; support democratic process

- Stronger strategic focus on most **difficult countries**

- **Flexible implementation** & instrument fully untied

- Geographical coverage: all third countries, but priority for pre-accession and neighbouring countries

- Objectives
  
  - Promote **nuclear safety culture** and implement **high nuclear safety standards** & radiation protection
  
  - **Safe management** of spent fuel and radioactive waste, decommissioning and remediation of former nuclear sites
  
  - Frameworks and methodologies for **effective safeguards for nuclear material** in third countries

- Lessons learned after Fukushima and results of ‘stress tests’ taken into account
7. EU-Greenland Partnership

- The proposal of a revised partnership recognises:

  - The emerging **international awareness towards Greenland**
  
  - The **geostrategic importance** of Greenland

- The Partnership allows for:

  - Moving Greenland towards a **diversified economy**
  
  - Increased focus on **policy dialogue** in areas of increased **global importance** (e.g. Arctic issues)

  - **Areas of cooperation** include issues, such as environment, climate change, biodiversity, raw materials and research
8.1. Instrument for Pre-Accession – IPA II: Key considerations

- The need for pre-accession assistance remains, the current instrument is quite successful ⇔ allow for **continuity with fine-tuning**

- **Improve overall efficiency** of the instrument and better align financial assistance on the policy agenda

- Make the instrument **more result-oriented** ⇔ measure impact

- **Simplify** programming

- **Increase flexibility** (between policy areas, countries, budget years) and introduce a performance reserve

- **Leverage financing** (developing innovative financing mechanisms)
8.2. IPA II: Main objectives

Help the countries meet the Copenhagen criteria and contribute to the objectives of the EU2020 Strategy through:

- Support for political reforms
- Support for economic, social and territorial development and reforms, with a view to a sustainable, smart and inclusive growth
- Strengthening of the ability of beneficiary countries to fulfil the obligations stemming from membership (progressive alignment with and implementation of the acquis and EU structural, cohesion, agricultural and rural development funds and policies)
- Regional integration and territorial cooperation involving beneficiary countries and Member States
8.3. IPA II: Main innovations

- **Financial assistance** to be granted in similar terms to both candidate countries & potential candidates, irrespective of their status
- IPA components replaced by **comprehensive country strategies** addressing key policy areas: transition process & capacity building; regional development; employment, social policies & human resources development; agriculture & rural development; regional & territorial cooperation
- More **strategic and long-term programming** tailored to country needs and priorities (indicative strategies for the entire period, one mid-term review + annual meetings)
- More progressive transition from centralised to **decentralised management**
- Move towards a **logic of financing policies** rather than individual projects (sector approach)
- Streamlined **management and monitoring systems** (details to be specified in an Implementing Regulation - delegated act)
9.1. European Neighbourhood Instrument - ENI: General elements

Based on:

- a new policy vision as outlined in the Communication “A new response to a changing Neighbourhood” of 25th May 2011, following the Strategic Review of the ENP and the transition processes in the region

- elements stemming from extensive consultation processes, including in the framework of the ENP Review and on ENP Cross-Border Cooperation, as well as from evaluations and lessons learned

- Geographical coverage: 16 Eastern and Southern Neighbourhood partner countries; Russia only for regional and interregional programmes

- Activities: bilateral, regional and interregional cooperation programmes (e.g. Cross-Border Cooperation)
9.2. ENI: Main innovations and key elements (1)

- Application of the “more for more” principle, allowing for differentiation for financial allocations and for the programming process
- Addressing the complexity and length of the programming to streamline, shorten and better focus the process; lighter approach (Single Support Framework) for partners that agreed with the EU an Action Plan or its equivalent
- Streamlining the scope of the Instrument, focus on the policy objectives and key areas of cooperation
- Promoting closer links with EU internal instruments and policies
9.2. ENI: Main innovations and key elements (2)

- Amending the provisions on the Cross-Border Cooperation to facilitate effective and fast implementation

- Responding to the evolving relationship with Russia, to reflect the specific status of Russia as an EU neighbour and strategic partner

- The proposed financial amount of 18.182 M€ (current prices) represents a significant increase as compared to the current ENPI; essential to match the ambitions of the renewed ENP
10.1. Partnership Instrument – PI

- **Context:** acceleration of globalisation, transformation of world economy, emerging new powers

- **Strategic objective:** Project EU policies to support EU interests abroad and address major global challenges

- **Specific Objectives:**
  - Implementing the international dimension of the “Europe 2020” Strategy
  - Improving market access & developing trade & business opportunities for EU companies through economic partnerships and business and regulatory cooperation
  - Increasing the leverage and visibility of the Union and its role on the world scene
10.2. PI:
Main features

- Major **innovation** of the external action package; fills the current gap in the toolbox.

- Global scope but focus on **emerging economies & strategic partners**.

- **Effective and flexible response** to Union's policy agenda with partner countries.

- Main Instrument to pursue agendas **beyond development cooperation**; no ODA requirement
11. Instrument for Stability – IfS

- **Strategic objective:** To strengthen international security by improving crisis prevention and resolution capabilities

- **Specific objectives:**
  - Provide **swift crisis-response** in political conflicts and natural disaster situations, **complementing** humanitarian relief & CFSP/ESDP interventions
  - Enhance EU **crisis-preparedness, conflict-prevention** and **peace-building** capacity across the board in cooperation with multilateral and civil society actors
  - **Build capacity** to address global and trans-regional security threats
  - **Increase flexibility** for programming and implementation