

# Round-Table on the Financial Perspectives 2014-2020



# Three key questions about funding for EU external action

- How much?

Own Resources  
Ceiling

Level 1

- What for?

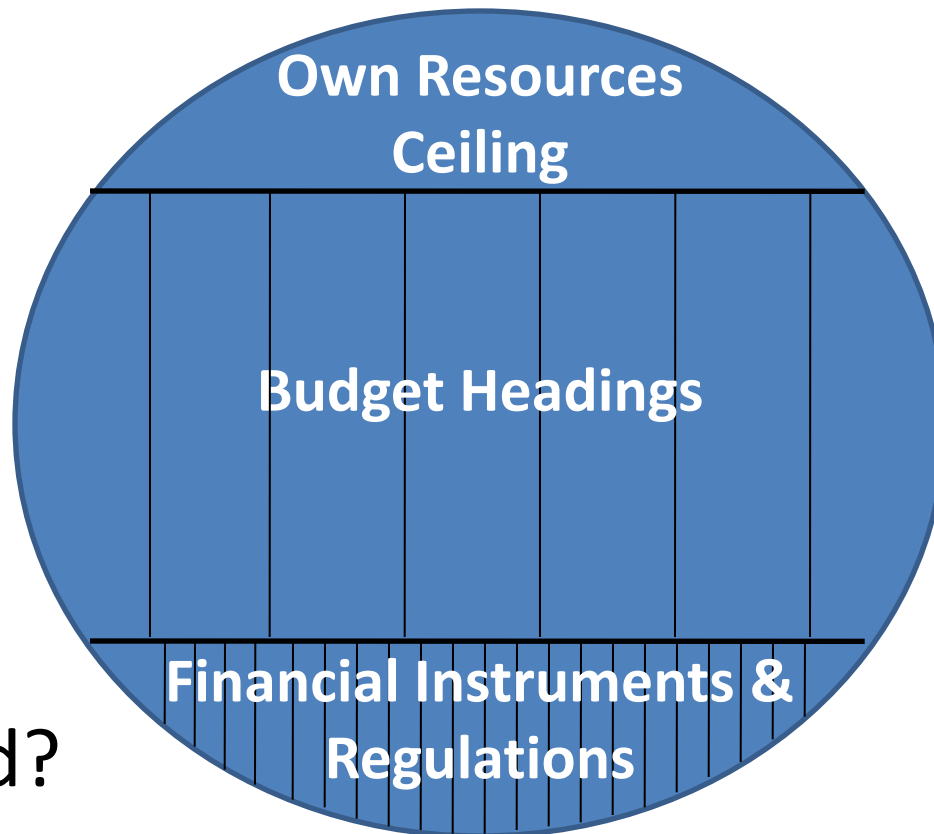
Budget Headings

Level 2

- How managed?

Financial Instruments &  
Regulations

Level 3



# Outline of the presentation

1. How does it currently all work?
2. What are the key milestones and priorities for the 2014-2020 Financial Perspectives?
3. What are the issues?
4. What are the options for the UK?

# The Financial Perspectives 2007-2013

## 3 Main Objectives:

1. Completion of the Internal Market
2. Completion of the concept of European Citizenship
3. Projection of a coherent role as a global partner

## 5 Budget Headings:

1. Sustainable Development:
  - Competitiveness for growth and employment
  - Cohesion for growth and employment
2. Sustainable management and protection of natural resources
3. Citizenship, freedom, security and justice
4. The EU as a global partner
5. Administration

# The Financial Perspectives 2007-2013

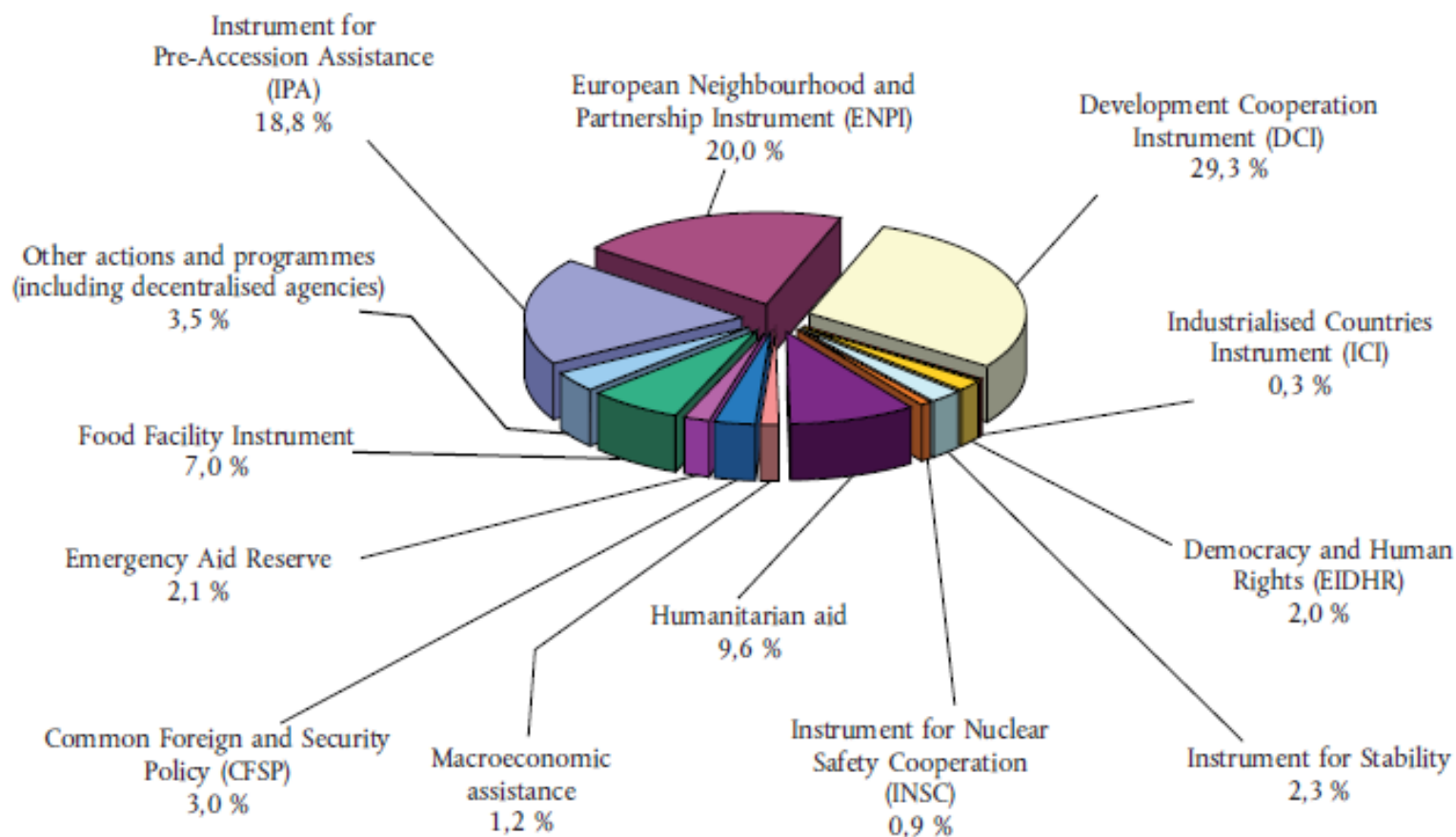
## EU external actions instruments and programmes

Macro-financial Assistance			
Instrument for Democracy & Human Rights			
Instrument for Stability			
Humanitarian Aid Instrument			
Instrument for Nuclear Safety			
Food Facility Instrument			
<b>DCI</b>	<b>ENPI</b>	<b>IPA</b>	<b>ICI</b>
Non-State Actors		IPA	ICI
Food Security			
Investing in People			
Environment			
Asylum & Migration			

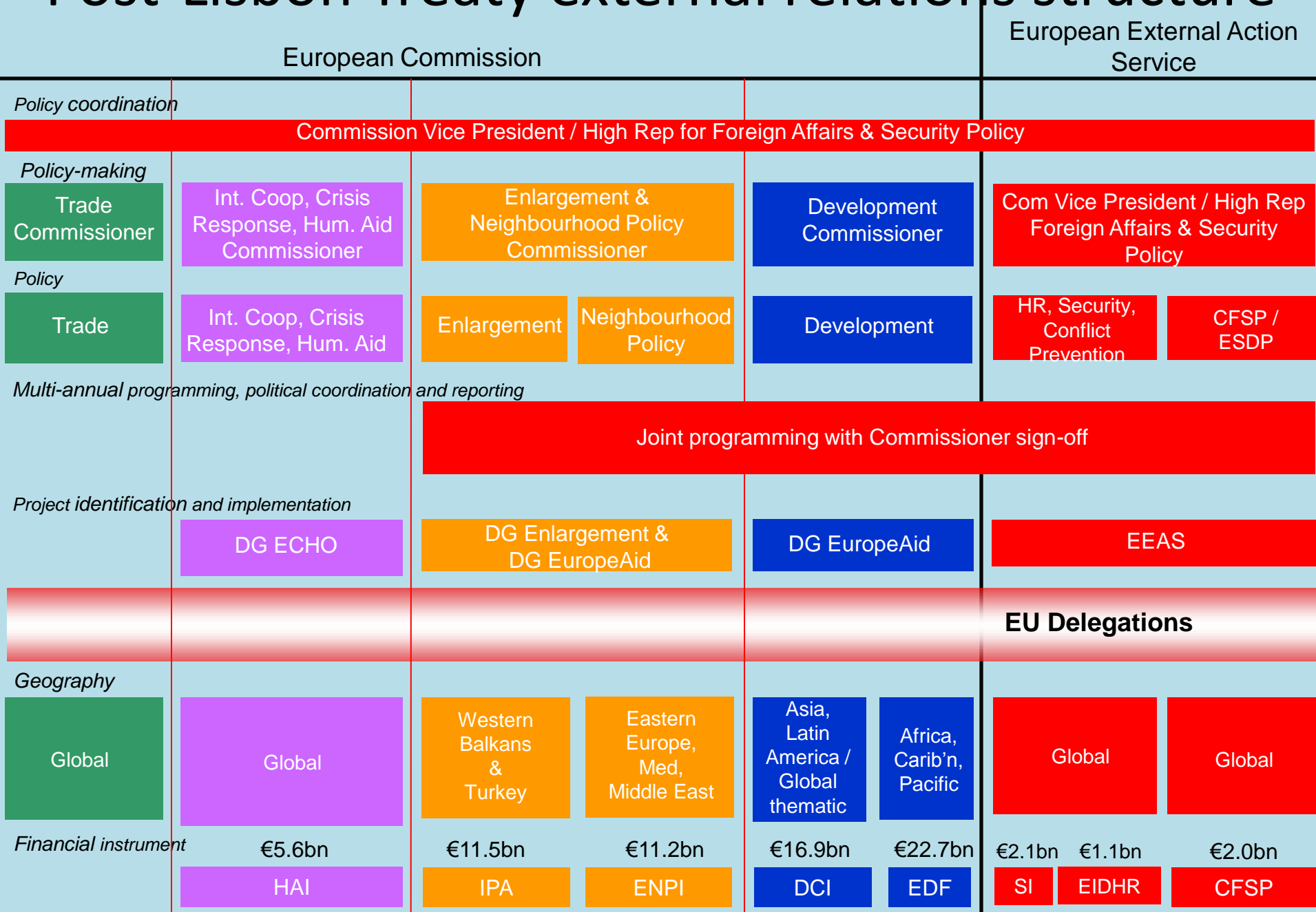
# Heading 4: The EU as a global player

Total = €56 billion for 2007-2013

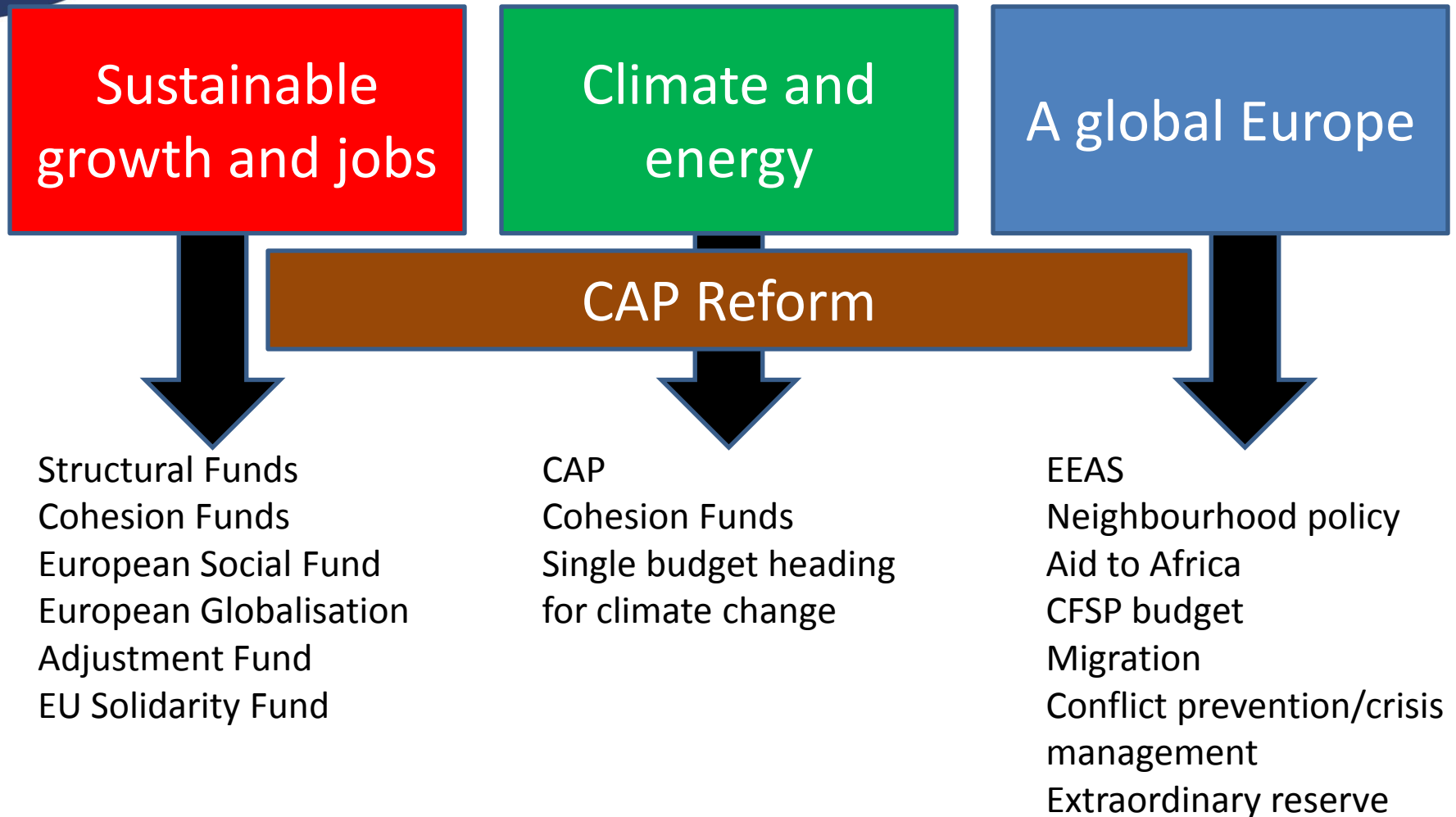
5.7% of total EU budget



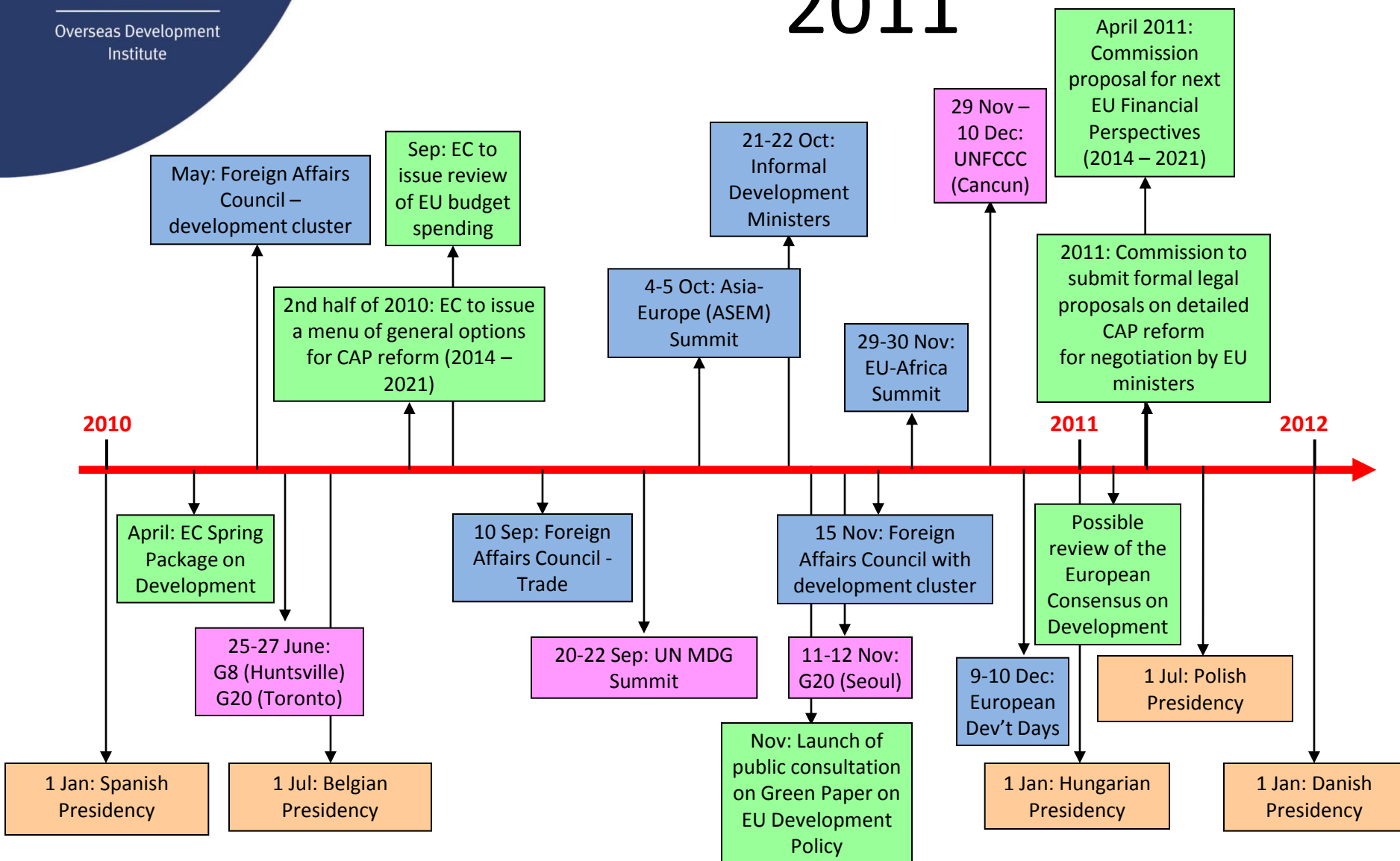
# Post-Lisbon Treaty external relations structure



# Priorities for the Financial Perspectives 2014-2020?



# Key Milestones in 2010 and 2011



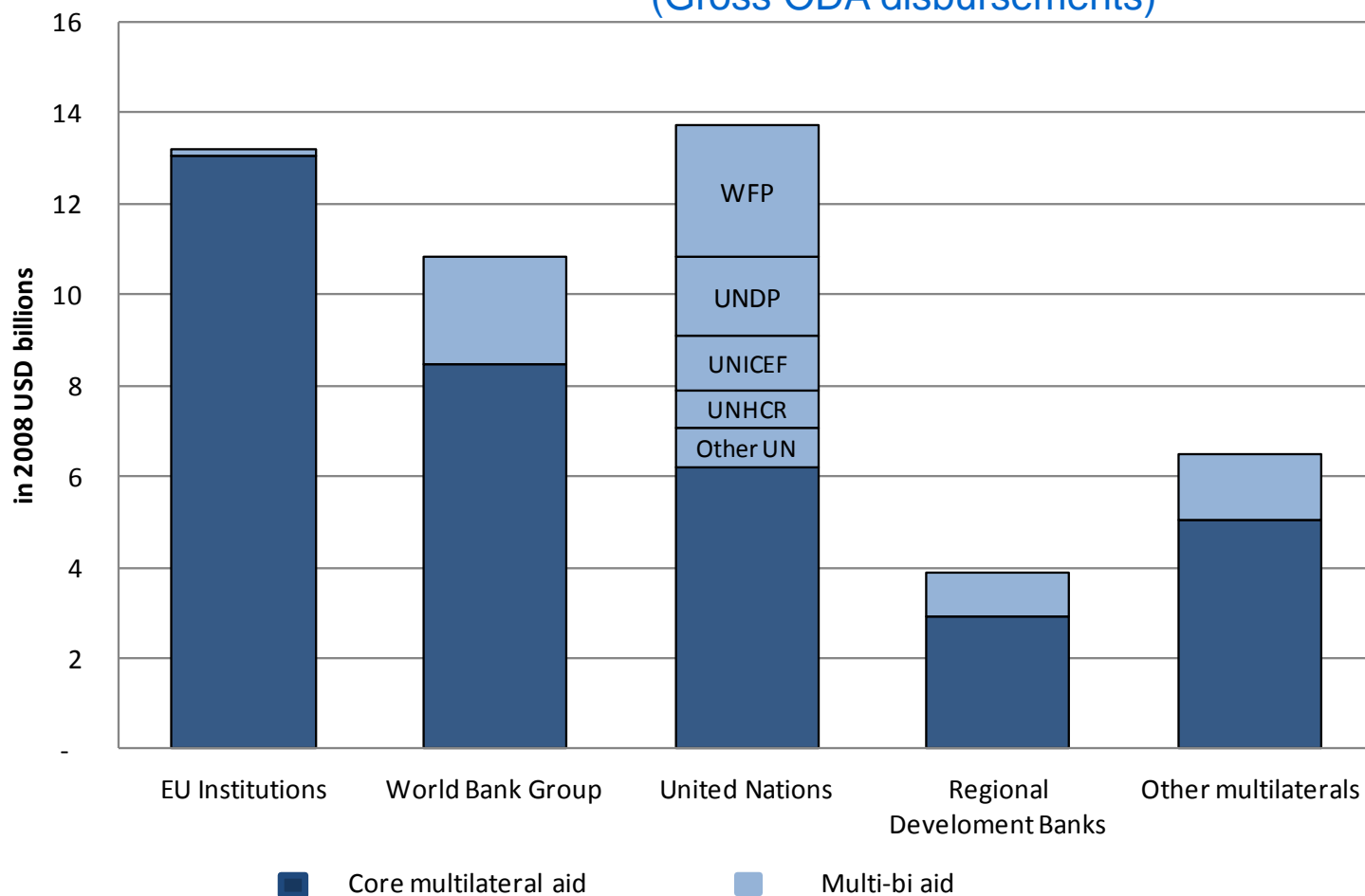
# What are the issues?

ISSUE	FP 2007-2013	
	Recommendation	Outcome
<b>How much overall?</b>	Resources to match aims	1.05% of Member State GNI
<b>What for and how much?</b>	External Relations  Development aid to increase in real terms	5.7% of total EU budget (€56 billion)  Lowest growth rate of all instruments (25%)
<b>How managed?</b>	Instrument for development	Development Cooperation Instrument

# What for and how much?

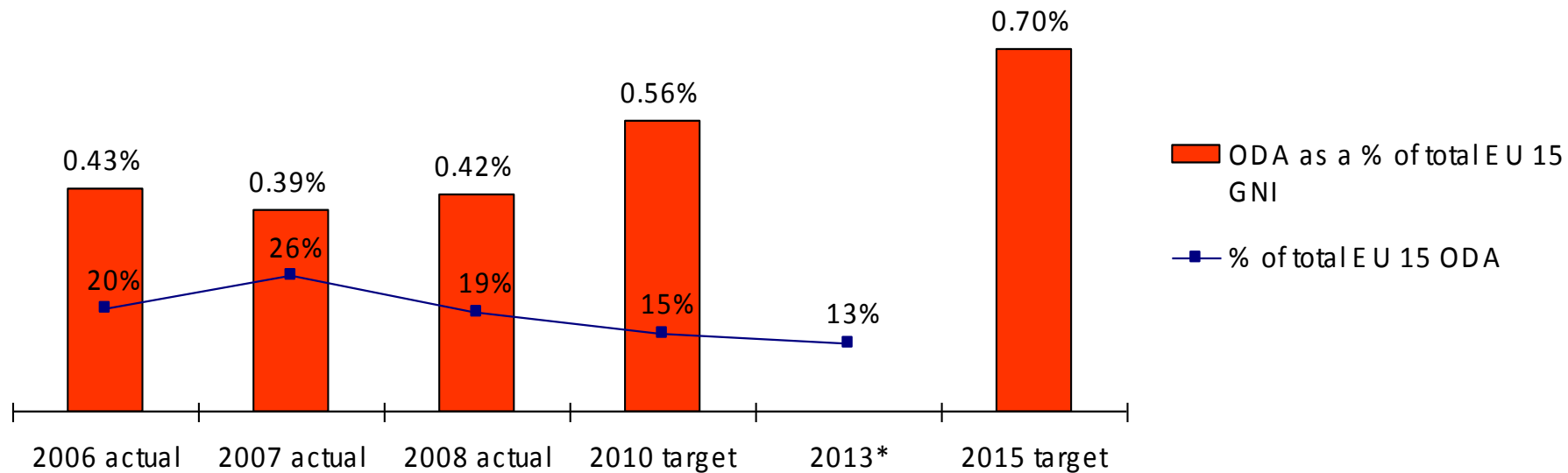
## Total use of the multilateral system in 2008

(excluding EC and Korea as donors)  
(Gross ODA disbursements)



# What for and how much?

## ODA as a percentage of total EU 15 GNI and percentage of total EU 15 ODA managed by European Commission compared

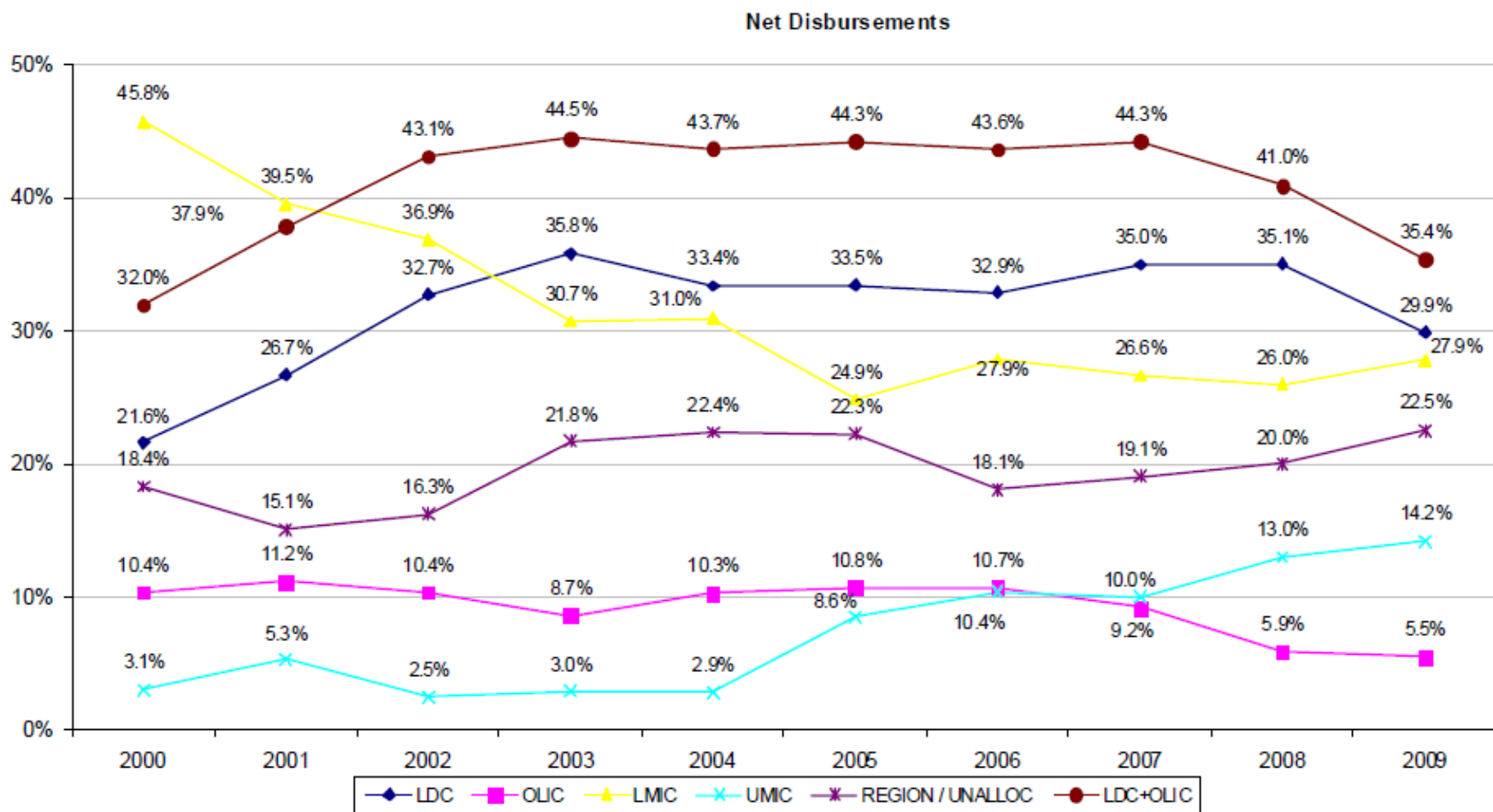


\*Percentage at end of current Financial Perspectives

Source: OECD/DAC 2008 and Commission Communication: Financing for Development & Aid Effectiveness – The challenges of scaling up EU aid 2006-2010 (COM(2006) 85 final)

# What for and how much?

## EC aid allocation 2000-2009



# What for and how much?

## Questions

1. What percentage of the total budget should Heading 4 represent?
2. How can the compartmentalisation of existing EU policies be broken down so that the EU is able to respond effectively to cross-cutting challenges and global public goods?
3. Should the scope and size of flexibility instruments be increased (Emergency Aid Reserve, Flexibility Instrument, Solidarity Fund)?
4. Should transfers between Headings be allowed?
5. Should unused margins be transferred to other identified expenditure?
6. How can freed up CAP funds be used for Heading 4?

# How managed?

## The Development Cooperation Instrument – mid-term review

### The Regulation:

- Poverty eradication
- Developing countries
- 100% of geographic programmes ODA-eligible
- 90% of thematic programmes ODA-eligible
- 20% of geographic programmes for basic health and basic education
- Parliamentary scrutiny of Country Strategy Papers

### The Reality:

- Foreign policy objectives
- Wide coverage – lower and middle income countries
- Non-development activities
- Student and cultural exchange programmes
- Unclear - No statistical evidence
- Parliament's position and recommendations rarely taken on board.

# How managed? Questions

1. What proportion of funds should be allocated across the external action instruments?
2. Should there be a separation of instruments that are ODA-eligible and those that are not?
3. Should geographical approaches remain the focus of external spending policies?
4. Are the thematic programmes still the right ones? Are they structured well?
5. How can the Regulations be made more coherent with each other?
6. How should climate change and the EEAS be financed?
7. Should the EDF be budgetised?
8. To what extent can blending of loans and grants free up funds?

# Issues for the UK

1. The EU in contested multilateral space.
2. Does the emerging UK agenda mesh with the EU's agenda?
3. Choosing issues and maximising influence.



# The UK agenda?

A prosperous  
Europe in a  
strong global  
economy

Climate change

Security, stability  
and poverty  
reduction

CAP Reform

- Subsidiarity - EU added value compared with action by MS
- Proportionality and flexibility
- Value for money
- Sound financial management

# Choosing issues and maximising influence

- Seeing the wood for the trees: which issues and when will deliver maximum leverage?
- Engagement:
  - Directly with the EC?
  - With Member States?
  - Through EP?
  - Via media?

