

The Multi-Annual Financial Framework 2014-2020: Implications for Development Cooperation



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1. What are the figures?



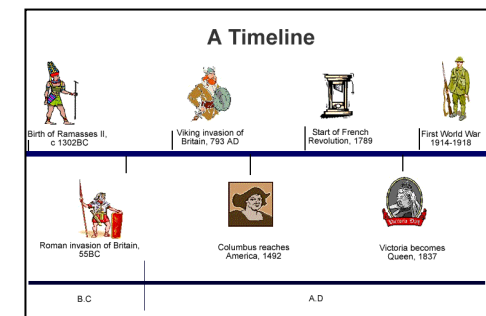
2. What are the instruments?



3. What are the key challenges, proposals and issues for discussion?

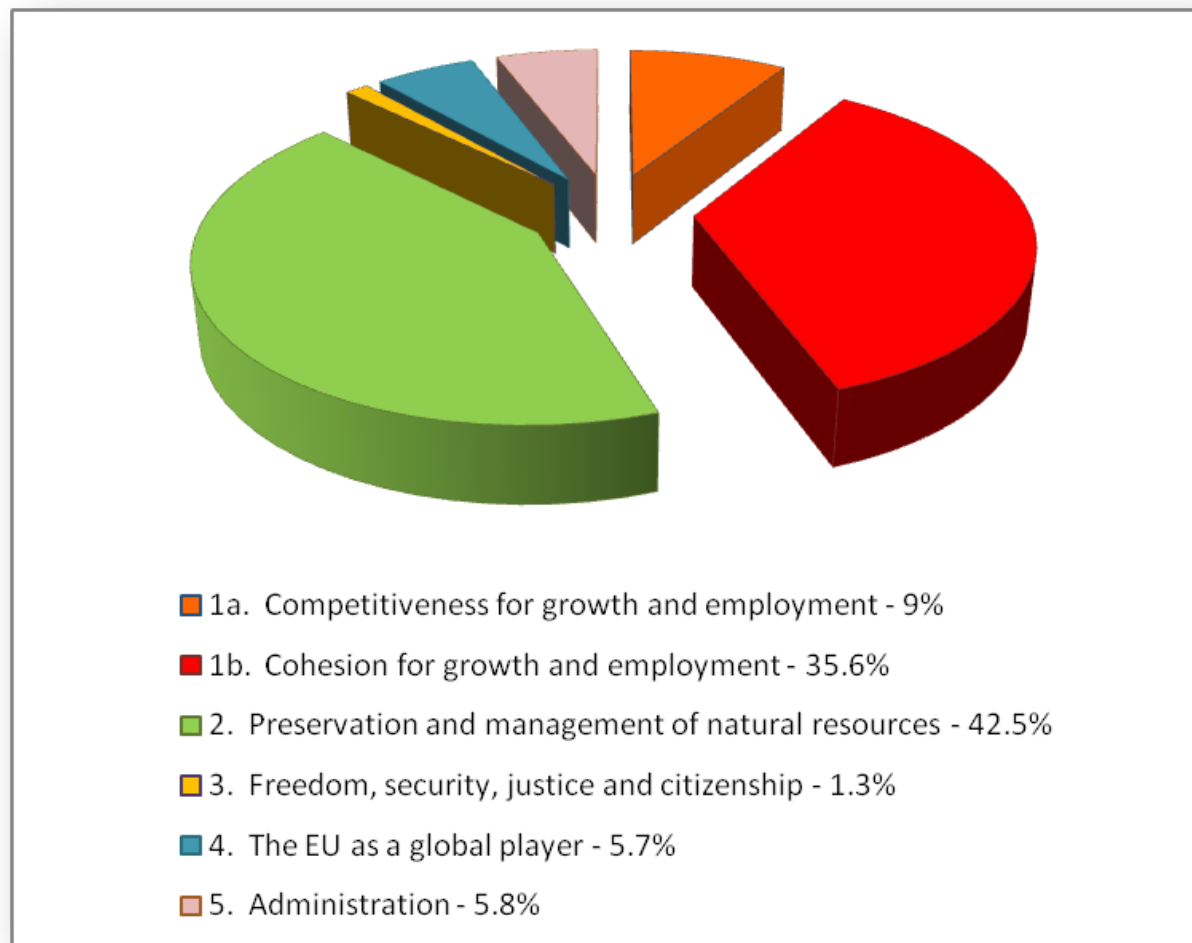


4. What is the timeline for the negotiations?



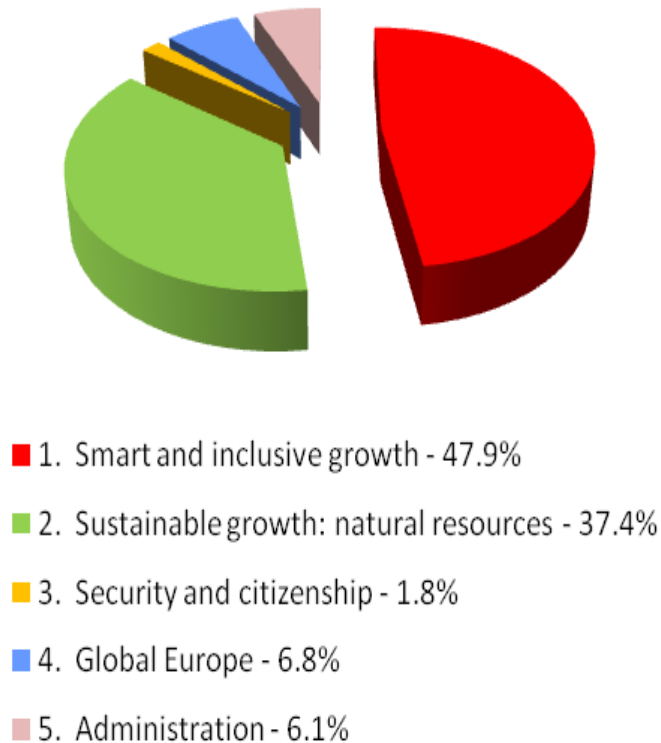
The EU Budget: 2007-2013

Total for Heading 4 = €56 billion for 2007-2013
5.7% of total EU budget

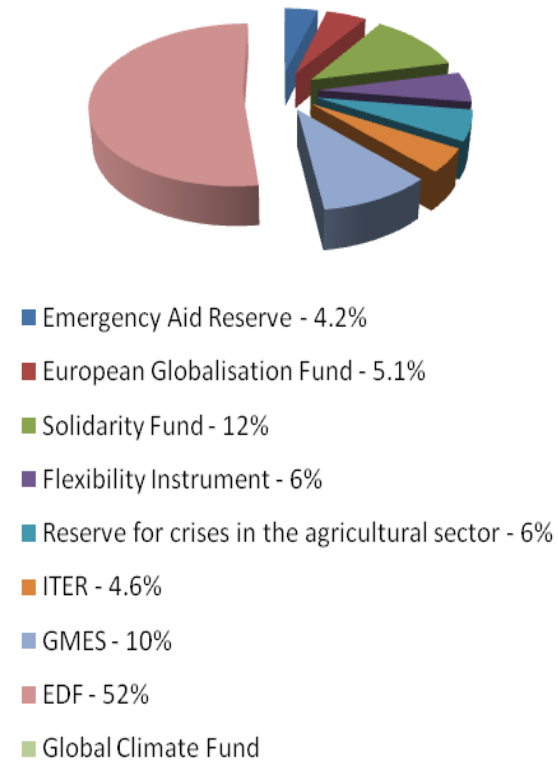


The proposed EU Budget: 2014-2020

MFF



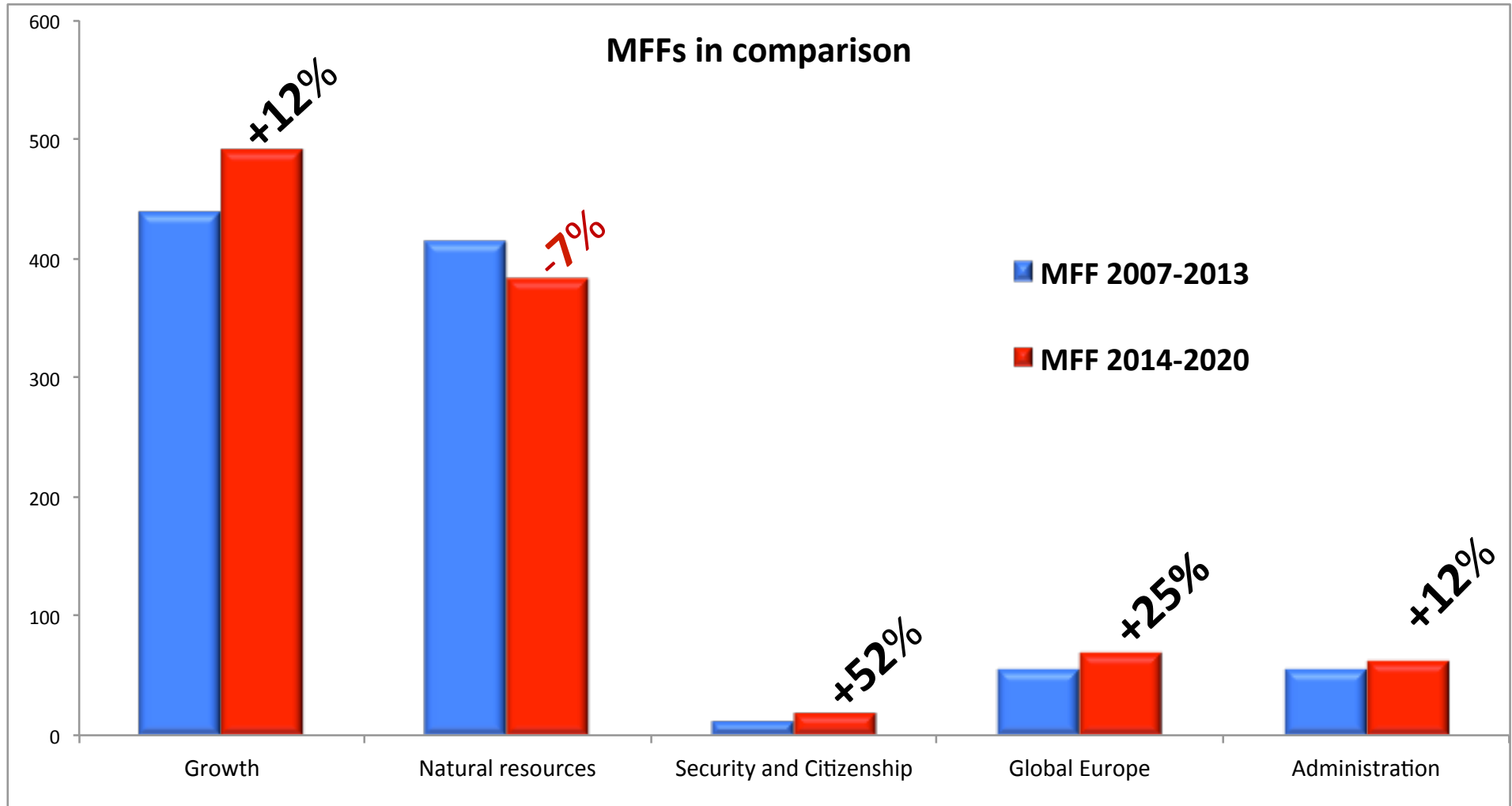
Outside the MFF



Total MFF = €1025 bn (1.05% of GNI)
 Total for Heading 4 = €70 billion (6.8% of total EU budget)

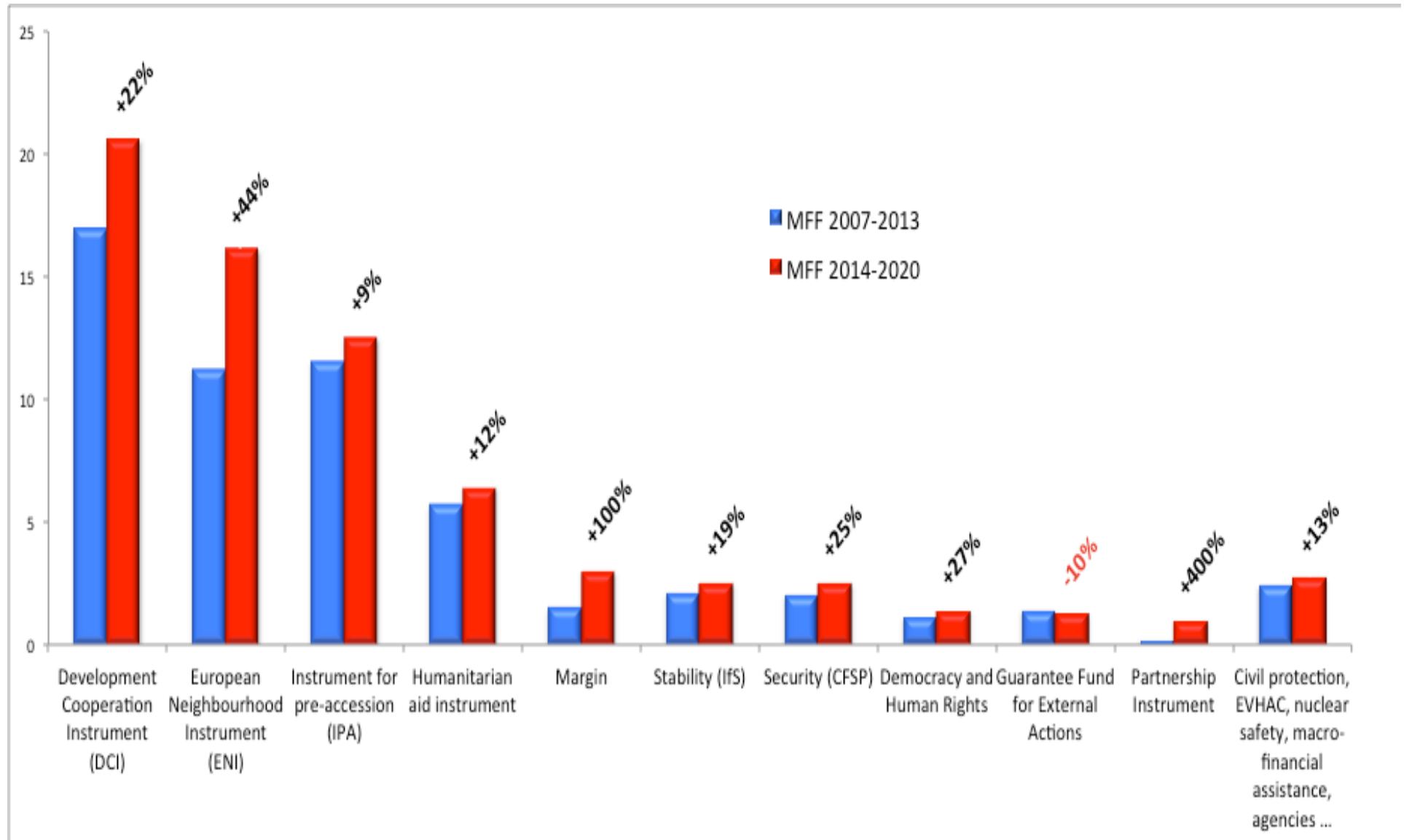
Total outside MFF = €58 bn (0.06% of GNI)
 Total for EDF = €30 billion (52% of total outside MFF)

Comparison of present and future MFF



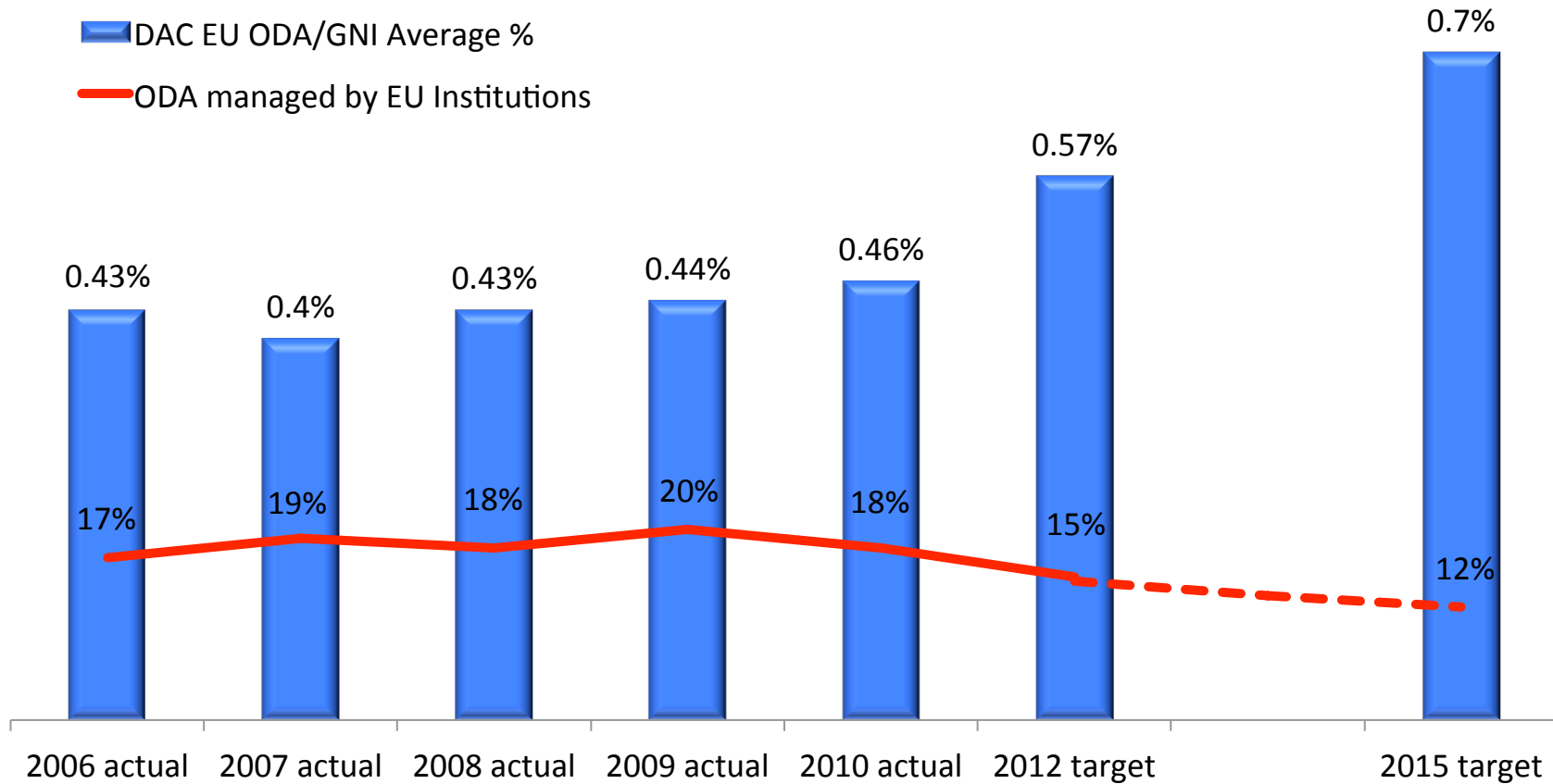
Comparison of present and future

Heading 4

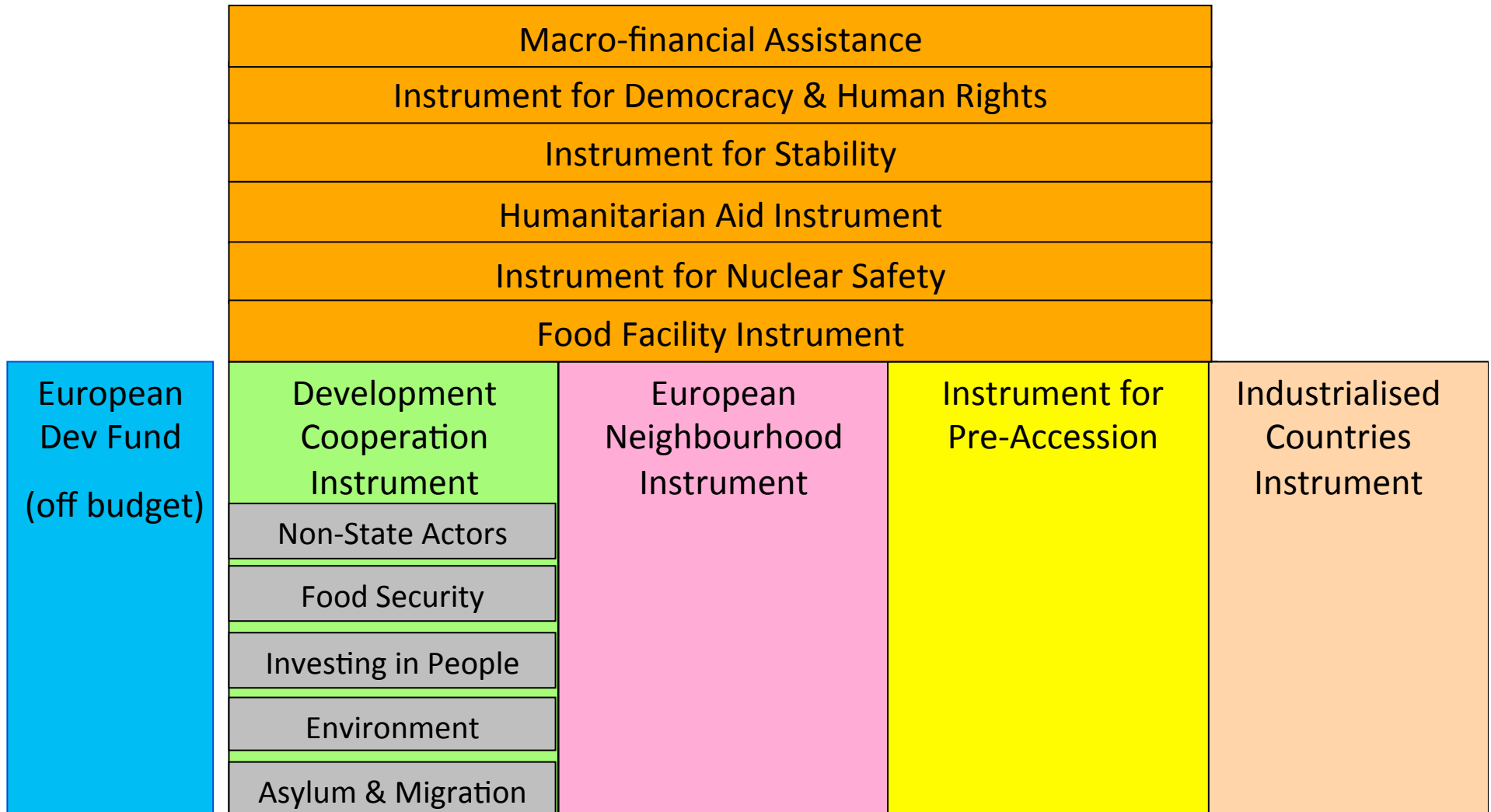


Market share of EC aid

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



Current external actions instruments and programmes



The proposed instruments

Macro-financial Assistance
Instrument for Democracy & Human Rights
Instrument for Stability
Humanitarian Aid Instrument
Civil Protection Mechanism
Common Foreign and Security Policy
Instrument for Nuclear Safety

European Dev Fund (off budget)	Development Cooperation Instrument	European Neighbourhood Instrument	Pre-Accession Instrument	Partnership Instrument
	Thematic Programmes – Global Public Goods			
	Non-State Actors & Local Authorities			
	Pan-African mechanism			

Challenges, proposals, questions

Challenge	EC proposal	Issues
Deciding how much and what for?	€70 bn for EU budget and €30 bn for EDF	What should the EC's ODA market share be?
	4 geographic instruments and 7 thematic instruments	Is the balance of funding across the instruments right? Should ODA benchmarks be set for the instruments?
	Thematic programmes	Should funding for poverty reduction and funding for global public goods be separated? Should funding benchmarks be set for thematic programmes (e.g. 20% for health and education)?

Challenges, proposals, questions

Challenge	EC proposal	Issues
Rethinking priorities and assistance towards MICs and emerging economies	<p>Wealthier countries not eligible for grants under the DCI</p> <p>PI to replace ICI+</p>	<p>Which countries? Based on what criteria?</p> <p>EU own interests vs. partnerships?</p> <p>Beyond aid strategy with MICs - tackling regional and global problems and the provision of global public goods?</p>
Financing Peace and Security Operations (PSOs) in Africa and elsewhere	<p>Better link development, foreign and security policy, adapt legal bases and procedures where necessary</p> <p>Increase the IfS from €2bn – €2.5bn</p> <p>Pan-African instrument under DCI</p>	<p>The legal framework: Community funds cannot be used for funding military expenses: therefore can't budgetise the APF!</p> <p>The size of the problem: more resources are needed</p> <p>Should a new instrument be an EU instrument or a European instrument?</p>

Challenges, proposals, questions

Challenge	EC proposal	Issues
Dealing with climate finance	<p>Mainstreaming climate policy</p> <p>Thematic envelope in DCI for GPGs (at least 25% for CC & environmental objectives)</p> <p>“Considering” special fund off-budget</p> <p>No figures proposed</p>	<p>Focus of thematic programmes on governments?</p> <p>Clear criteria, targets, indicators and monitoring systems?</p> <p>Mixing poverty eradication and mutual interest?</p> <p>Funding for climate change?</p>
Maintaining a separate EDF	<p>EDF outside the MFF</p> <p>Align EDF key with EU budget</p> <p>Improve democratic scrutiny of EDF</p>	<p>Should the EDF be budgetised?</p> <p>Effect on EU Member States contributions to funding for ACP?</p> <p>Less money for the ACP?</p> <p>Mutual accountability mechanisms and arbitration procedures?</p>

The Timeline

