



**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€
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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 **ACPs & 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**

6. Instrument for Nuclear Safety Cooperation - INSC

- 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