

# Financing instrument for development cooperation 2014-2020

2011/0406(COD) - 06/12/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Development adopted the report by Thijs BERMAN (S&D, NL) on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation (DCI).

The committee recommended that the European Parliament's position at first reading, following the ordinary legislative procedure, should amend the Commission proposal.

The main amendments were as follows:

**General objective:** the objective of the DCI II should be to finance:

(a) **Geographic programmes** aimed at supporting development cooperation with developing countries that are included in the list of recipients of Official Development Assistance (ODA) of the OECD/DAC, except:

- countries signatories to the ACP-EU Partnership Agreement signed in Cotonou on 23 June 2000, excluding South Africa;
- countries eligible for the European Development Fund;
- countries eligible for Union funding under the European Neighbourhood instrument;
- beneficiaries eligible for Union funding under the Instrument for Pre-Accession.

(b) **Thematic programmes** to address development-related global public goods and challenges and **support civil society organisations** and local authorities in partner countries pursuant to this draft Regulation.

(c) **A Pan-African programme** to support the strategic partnership between the Union and Africa.

**Principles and objectives:** the primary objective of cooperation under this Regulation shall be the eradication of poverty as well as (i) fostering sustainable economic, social and environmental development, and (ii) consolidating and supporting democracy, the rule of law, good governance, human rights.

Cooperation under this Regulation should contribute to the achievement of the international commitments and objectives in the field of development that the Union has agreed to, in particular the MDGs, and post-2015 new development targets.

Specific measures have been introduced to ensure that:

- Union assistance should contribute to help beneficiary countries to be less dependent on external aid;
- Union assistance remains consistent with the principles of democracy, the rule of law and respect for human rights and fundamental freedoms on which it is founded.

**Incentive measures and performance indicators:** progress in these areas would be assessed through performance indicators defined in the draft Regulation. It is also specified that assistance should be

managed with a **strong focus on the differentiation of assistance in terms of the needs of the target partner countries.**

**Impact of civil society:** the objectives of this Regulation should be pursued with an appropriate involvement of NGOs and civil society organisations, in preparing, implementing and monitoring Union support.

**Implementation:** provisions have been included to clarify the technical implementation of the DCI II in terms of its strategic planning and programming.

The draft Regulation outlined the objectives and principles for the allocation of funds to:

- geographical programmes;
- thematic programs;
- actions to strengthen global public goods: climate change, human rights, nutrition and food security, sustainable energy, asylum policy ...
- strengthening civil society;
- Pan-Africa programme.

Provisions have also been made for countries in crisis or in a post-conflict situation.

**Financial envelope:** in accordance with the agreement on the Financial Framework, the financial envelope for the implementation of the DCI II Regulation is set at **EUR 19 662 million.**

An indicative breakdown of expenditure by types of programmes and activities is listed in the Annex to the future Regulation (including specific funding to finance the ERASMUS+ programme in the countries covered by the DCI).

It is also stated that the Union should seek the most efficient use of available resources in order to optimise the impact of its external action. This should be achieved through coherence and complementarity between Instruments for external action.

**Participation of third countries in the DCI:** provisions have been added to clarify the scope of the cooperation of third countries to the DCI, provided that such cooperation is exceptional and is consistent with the standards applied in the context of the European development policy.

Provisions also formalise the cooperation arrangements with other international donors.

**Delegated acts:** in order to adapt European assistance to take account of changing needs, the power to adopt acts in accordance with Article 290 on the Treaty of the Functioning of the European Union should be delegated to the Commission in respect of adapting and updating the:

- **areas of cooperation** as outlined in the future Regulation;
- the indicative envelopes of resources for the geographical, thematic and public goods programmes.

Following the publication of the Mid-term report and based upon the recommendations contained in the mid-term review report, the Commission shall adopt a delegated act **by 31 March 2018.**

**Annexes:** the future Regulation should comprise of the following Annexes:

- **Annex I** lists the areas of cooperation under the geographical programmes including the areas of cooperation in regional areas;

- **Annex II** defines the EU priorities under the thematic programmes and public goods programme and the specific programme seeking to strengthen civil society;
- **Annex III** lists the areas of cooperation of the Pan African programme;
- **Annex IV** defines the financial envelopes and the indicative percentages by type of programmes, actions or geographical areas.

**- Geographical programmes: EUR 11 809 million broken down as follows:**

- Latin America : EUR 2 500 million
- South Asia : EUR 3 813 million
- North and South East Asia : EUR 2 870 million
- Central Asia : EUR 1 072 million
- Middle East : EUR 545 million
- Other countries : EUR 251 million.

**- Thematic programmes: EUR 7 008 million of which:**

- Global public goods: EUR 5 100 million
- Support for civil society : EUR 1 907 million.

**- Pan African programme : EUR 845 million.**

It should be noted that the amended draft Regulation is accompanied by a series of joint, bilateral or unilateral statements from the EU institutions including:

- a European Parliament statement on the **suspension of assistance** granted under the financial instruments for foreign policy, particularly in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument and notably the principles of democracy. (It is stated that the European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure. As a co-legislator, the European Parliament is therefore entitled to fully exercise its prerogatives in that regard, if such a decision is to be taken);
- a Commission declaration on the strategic dialogue with the European Parliament prior to its programming;
- a joint declaration on the eligibility of certain DCI countries for bilateral cooperation, as exceptional cases, including in view of phasing out development grant aid: Cuba, Colombia, Ecuador, Peru and South Africa. The Commission will seek the views of the European Parliament before making any changes;
- a unilateral declaration by the Commission seeking to allocate at least **20%** of assistance to **basic social services**, with a focus on health and education.