

Financing instrument for development cooperation 2007-2013

2004/0220(COD) - 01/10/2004

PURPOSE: to propose a new financing instrument for development co-operation and economic co-operation in the framework of the forthcoming financial perspectives 2007-2013.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

CONTENT: in the context of the forthcoming financial perspectives 2007-2013, the Commission is proposing a new financial instrument with a reference amount of **EUR 44.229 billion over a 7 year period** which aims to provide support for both development policy and all forms of cooperation with developing countries, countries in transition and industrialised countries.

In addition, the new Regulation serves as a consolidated legal basis for pursuing internal policy objectives at international, multilateral and global levels.

As far its remit is concerned it covers all of the world's countries, territories and regions except:

- The Member States of the Community.
- The Overseas Countries and Territories associated with the Community.
- Countries eligible for the pre-accession instrument (Albania, Former Yugoslav Republic of Macedonia, Bosnia-Herzegovina, Croatia, Serbia and Montenegro and Turkey).
- Countries eligible for the new European Neighbourhood and Partnership Instrument (Algeria, Armenia, the Palestinian Authority of the West Bank and the Gaza Strip, Azerbaijan, Byelorussia, Egypt, the Russian Federation, Georgia, Israel, Jordan, Lebanon, Libya, Morocco, Moldavia, Syria, Tunisia and Ukraine).

A number of **general principles** guide the Regulation, namely, consistency, co-ordination of co-operation policies, co-ordination with other bi-lateral or multi-lateral donors, redirection of Community assistance towards forms of sectoral and budgetary support and respect for human rights and fundamental freedoms, democratic principles and the rule of law. Concerning the latter principles a suspension clause is foreseen in the case of breaches.

In terms of programming and allocating funds, the Community's external assistance will be delivered via large-scale geographical programmes. Money has also been put aside for thematic programmes aimed at financing global and horizontal initiatives, as well as for specific thematic programmes with industrialised countries in mind. Thematic strategies will be established for periods up to seven years. The strategic documents will set out the European Union's vision and priorities of its assistance within each priority theme and initiative.

Member States will play a close role in deciding on multi-annual geographical programmes and thematic programmes. Actual adoption of the multi-annual programming papers will be adopted in accordance with the opinion of a management committee. Adoption of the action programmes (financing of which will be decided on either one per country or region), will not, however, be put through the committee procedure. This may prove useful should the Commission wish to mobilise financing speedily before an action programme has been fully finalised. Adoption of special measures not provided for in strategy papers and multi-annual indicative programmes will be decided upon by a procedure where the opinion of a Member State advisory committee is sought. Spending exceeding EUR 15 million will be decided on based on the

consultation procedure. The financing of special measures is being proposed in a bid to finance strategy papers or multi-annual indicative programmes in cases of unforeseen circumstances. Where measures have been given financial approval the proposed Regulation allows for co-financing in the form of joint or parallel financing.

Other provisions listed in the Regulation include budgetary commitments, protection of the Community's financial interests, participation in public tenders, pre-financing, funds made available to the European Investment Bank and other financial intermediaries, participation by a third countries not eligible under this Regulation, suspending assistance, financial provisions for ACP countries and for a review of the Regulation by 31 December 2011.

For more details concerning the financial implications of this measure, please refer to the financial statement.