

# Financing instrument for development cooperation 2007-2013

2004/0220(COD) - 18/05/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Gay Mitchell (EPP-ED, IE), and amended the Commission's proposal. It voted for the Development Committee's proposal and split the Commission's original proposal for a single instrument, which combined the EU's cooperation with both developing and industrialised countries, into two separate and distinct instruments. Accordingly, cooperation with industrialised countries will be dealt with in a separate instrument. Parliament deleted all references to economic cooperation in the report. The text states that a new instrument, on Community assistance to third countries for the promotion and protection of democracy and human rights, is to be proposed.

Parliament also proposed separate policy regulations setting out the EU's thematic and geographical priorities in its development cooperation. It did so because it was determined to maintain its powers as co-legislator in strategic priorities, geographical and thematic aid programmes. The Commission wanted these to be determined by the comitology procedure. Without restructuring the Commission's proposition, Parliament would have lost its co-decision power in 16 existing areas of regulation on 1 January 2007. The text states that a crucial objective is to pursue a differentiated approach depending on development contexts and needs, providing partner countries or regions with specific, tailor-made programmes, based on their own needs, strategies, priorities and assets.

The Commission must propose a multiannual financial framework allocating funds by global thematic and by regional geographical programmes. The multiannual financial framework must be adopted in accordance with the procedure set out in Article 251 of the Treaty. Spending targets shall be set by the legislative authority within those thematic and regional geographical programmes, and shall be adhered to in the implementation of the programmes. Policy priorities for thematic programmes, global initiatives or geographical programmes at regional or continental level shall be established by separate regulations, each of which shall be specific to a broad thematic programme and/or global initiative, or to a geographical programme at regional or continental level. Each regulation shall set down details of the policy to be applied for the broad thematic programme and/or global initiative or geographical programme to which it relates. Each regulation shall be adopted in accordance with the procedure set out in Article 251 of the Treaty (the co-decision procedure.)

Parliament went on to state that the primary objective of Community development cooperation shall be to reduce and, eventually, eradicate poverty in partner countries and regions, within the framework of the Millennium Declaration adopted by the UN General Assembly in 2000, and particularly the achievement of the Millennium Development Goals. The Commission had previously proposed that the MDGs should only guide development cooperation.

The financial reference amount for implementation of this Regulation over the period 2007-2013 is EUR 47 122 000 000. The Regulation will apply until 31 December 2013. Not later than 31 December 2010, the Commission must submit a report evaluating the implementation of the Regulation in the first three years, together with a proposal for any necessary modification.

The multiannual financial framework shall be established for an initial period of four years. Before the expiry of this period, a second multiannual financial framework shall be established, based on the mid-term review and covering the remaining period of validity of the Regulation. Any allocation established

in the multiannual financial framework may be increased or decreased by a maximum of 5%. Any increase or decrease in allocations by more than 5% shall be subject to the agreement of the European Parliament and the Council.

Further new clauses are as follows:

- All measures financed under the Regulation shall be subject to an ex-ante development impact assessment, including an assessment of their impact in the fields of human rights, the environment, gender equality, children's rights and effects on other vulnerable or excluded groups.
- Priority shall be given to the poorest among partner countries, especially the least developed countries, and to the poorest sectors of society within all partner countries.
- The Community's cooperation activities shall promote effective cooperation modalities and instruments, adapted to the particular circumstances of each partner country or region, with a focus on programme-based approaches using budgetary support in specific and clearly justified cases, subject to strict monitoring and conditionality, on delivery of predictable aid funding, and the development and use of country systems based on the MDG targets and indicators.