

Financing instrument for development cooperation 2007-2013

2004/0220(COD) - 24/05/2006 - Modified legislative proposal

On 1 October 2004, the Commission published a proposal for a European Parliament and Council Regulation establishing a financing instrument for development cooperation and economic cooperation for the period 2007-2013. This Regulation would cover all the EU's development cooperation policy with the exception of neighbourhood and pre-accession policy: **refer to the Commission's initial proposal (see résumé of 01/10/2004)**.

At the time, the planned allocation for this instrument for the period in question amounted to EUR 44.229 billion covering both development cooperation with the ACP countries, third countries in Asia, Latin America and some of the countries in the Mediterranean area (Iraq, Iran, Gulf States and Yemen), some of the Caucasus countries (Kazakhstan, Kirghizstan, Uzbekistan, Tajikistan and Turkmenistan), other cross-cutting cooperation policies (thematic programmes), cooperation with industrialized countries (OECD countries that are not EU members) and actions in the area of democracy and human rights (formerly the European initiative for democracy and human rights).

Following the signature, on 17 May 2006, of the interinstitutional agreement (IIA) concerning the financial perspectives for the period 2007-2013, the Commission adopted new proposals concerning new financial instruments in the area of external policy taking into account, in particular, of the revised amounts for each of the envisaged programmes in light of the IIA.

In parallel, the European Council decided, on 16 December 2005, not to budgetize the European Development Fund (EDF), excluding, as a result, the ACP area from the current financial instrument. The ACP countries (Sub-Saharan Africa, the Caribbean, Pacific and Indian Ocean) will however benefit from funding in the context of thematic and complementary geographic programmes.

Regarding financial resources, the new allocation of the amounts for the development and economic cooperation instrument for the period will be EUR 17.053 billion, taking into account both the new geographical coverage of this instrument and the IIA (for more details, see financial statement).

It should be noted that on the European Parliament's request, this instrument has itself been split into 3 distinct proposals:

- a Regulation establishing a new financing instrument to promote democracy and human rights worldwide (**COD/2006/0116**);
- a Regulation establishing a financing instrument for development cooperation and economic cooperation based on Article 179 of the TEC (this proposal); and
- a Regulation establishing a financial instrument for cooperation with industrialised and other high-income countries and territories (2007-2013), based on Article 181A of the TEC (**CNS/2006/0807**).

These complementary financial instruments will share the amounts initially planned for the cooperation instrument: i.e. EUR 17.053 billion.