

## Basic information

**2011/0406(COD)**

COD - Ordinary legislative procedure (ex-codecision procedure)  
Regulation

Financing instrument for development cooperation 2014-2020

See also [2011/0415\(COD\)](#)

### Subject

6.30.02 Financial and technical cooperation and assistance

Procedure completed

## Key players

European  
Parliament

### Committee responsible

**DEVE** Development

### Rapporteur

BERMAN Thijs (S&D)

### Appointed

05/12/2011

### Shadow rapporteur

MITCHELL Gay (PPE)

GOERENS Charles (ALDE)

STAES Bart (Verts/ALE)

DEVA Nirj (ECR)

GUSTAFSSON Mikael (GUE  
/NGL)

VANHECKE Frank (EFD)

### Committee for opinion

**AFET** Foreign Affairs

### Rapporteur for opinion

GOMES Ana (S&D)

### Appointed

14/12/2011

**INTA** International Trade

SCHOLZ Helmut (GUE/NGL)

25/01/2012

**BUDG** Budgets

KOZŁOWSKI Jan (PPE)

29/02/2012

**LIBE** Civil Liberties, Justice and Home Affairs

The committee decided not  
to give an opinion.

**FEMM** Women's Rights and Gender Equality

KRATSA-  
TSAGAROPOULOU Rodi  
(PPE)

25/01/2012

Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Foreign Affairs	3179	2012-06-25
	Economic and Financial Affairs ECOFIN	3302	2014-03-11
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	International Cooperation and Development	-- --	
	Neighbourhood and Enlargement Negotiations	-- --	

Key events			
Date	Event	Reference	Summary
07/12/2011	Legislative proposal published	COM(2011)0840 	Summary
17/01/2012	Committee referral announced in Parliament, 1st reading		
04/12/2013	Vote in committee, 1st reading		
06/12/2013	Committee report tabled for plenary, 1st reading	A7-0450/2013	Summary
10/12/2013	Debate in Parliament		
11/12/2013	Decision by Parliament, 1st reading	T7-0571/2013	Summary
11/12/2013	Results of vote in Parliament		
11/03/2014	Act adopted by Council after Parliament's 1st reading		
11/03/2014	Final act signed		
11/03/2014	End of procedure in Parliament		
15/03/2014	Final act published in Official Journal		

Technical information	
<b>Procedure reference</b>	2011/0406(COD)
<b>Procedure type</b>	COD - Ordinary legislative procedure (ex-codecision procedure)
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Regulation
<b>Amendments and repeals</b>	See also <a href="#">2011/0415(COD)</a>
<b>Legal basis</b>	Treaty on the Functioning of the European Union TFEU 209-p1
<b>Other legal basis</b>	Rules of Procedure EP 165
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	DEVE/7/08330

## Documentation gateway

### European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE491.264	21/06/2012	
Committee opinion	AFET	PE489.388	12/07/2012	
Committee opinion	BUDG	PE489.385	13/07/2012	
Amendments tabled in committee		PE492.895	17/07/2012	
Committee opinion	FEMM	PE489.607	05/09/2012	
Committee opinion	INTA	PE492.566	17/09/2012	
Committee report tabled for plenary, 1st reading/single reading		A7-0450/2013	06/12/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0571/2013	11/12/2013	Summary

### Council of the EU

Document type	Reference	Date	Summary
Draft final act	00127/2013/LEX	11/03/2014	

### European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0840 	07/12/2011	Summary
Document attached to the procedure	SEC(2011)1469 	07/12/2011	
Document attached to the procedure	SEC(2011)1470 	07/12/2011	
Commission response to text adopted in plenary	SP(2014)148	13/02/2014	
Follow-up document	SWD(2017)0600 	15/12/2017	

### National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2011)0840	17/02/2012	

### Additional information

Source	Document	Date

National parliaments	<a href="#">IPEX</a>	
European Commission	<a href="#">EUR-Lex</a>	
European Commission	<a href="#">EUR-Lex</a>	

<b>Final act</b>	
<a href="#">Regulation 2014/0233</a> <a href="#">OJ L 077 15.03.2014, p. 0044</a>	<a href="#">Summary</a>

## Financing instrument for development cooperation 2014-2020

2011/0406(COD) - 11/12/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 639 votes to 27, with 24 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the Instrument establishing a financing instrument for development cooperation (DCI II).

Parliament adopted its position at first reading under the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise negotiated between the European Parliament and the Council :

**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 covered by 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;
- 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** and criteria such as population, income per capita, the extent of poverty, income distribution and the level of human development, as well as their capacities to generate and access financial resources and absorption capacities or the potential impact of EU development aid.

**Cross-cutting issues:** a certain number of cross-cutting issues need to be taken into account in the implementation of programmes. These include:

- conflict prevention,
- decent work, and
- climate change.

In this context, specific attention should be paid to issues such as non-discrimination, the rights of persons belonging to minorities, the rights of persons with disabilities, the rights of persons with life-threatening diseases and other vulnerable groups, core labour rights and social inclusion, the empowerment of women, etc....

Other relevant principles that need to be integrated in the actions to be implemented: strengthening of budgetary policy, the creation of synergies with other donors, results-based approaches to development, strengthening of South-South cooperation,...

N.B. it is specifically stipulated that Union assistance under this Regulation shall not be used to finance **the procurement of arms or ammunition**, or operations having military or defence purposes.

**Involvement 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 programmes;
- 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 included for countries in crisis or in a post-conflict situation.

The Commission should inform the European Parliament on a regular basis by means of exchanges of views on all questions relating to development cooperation.

**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 II).

**Optimising resources:** the EU 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 Union's Instruments for external action, as well as the creation of synergies between the Union's external financial Instruments and other policies of the Union.

**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 allocations 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 **fields of cooperation in regional areas**;
- **Annex II** defines the EU's 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 allocations 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 DCI assistance to basic social services**, with a focus on health and education.

## 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
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- 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.

# Financing instrument for development cooperation 2014-2020

2011/0406(COD) - 11/03/2014 - Final act

**PURPOSE:** to establish a financing instrument for development cooperation 2014-2020 following on from the previous [financing instrument for development cooperation](#) for the 2007-2013 period.

**LEGISLATIVE ACT:** Regulation (EU) No 233/2014 of the European Parliament and of the Council establishing a financing instrument for development cooperation for the period 2014-2020.

**BACKGROUND:** this Regulation is placed within the framework of the new multiannual financial framework (MFF) 2014-2020 applicable to the Union's external policy and cooperation with third countries. The measures provided are the following:

- Financing instrument for development cooperation (IDC);
- [Partnership instrument for cooperation with third countries \(PI\)](#);
- [Instrument for Pre-accession Assistance \(IPA II\)](#);
- [European Neighbourhood Instrument \(ENI\)](#);
- [Instrument for Nuclear Safety Co-operation](#);
- [Instrument contributing to stability \(IS\)](#);
- [The instrument for the promotion of democracy and human rights worldwide \(EIDHR\)](#).

All of the procedures for the implementation of these instruments would be governed by [specific Regulation](#) adopted at the same time.

**CONTENT:** this Regulation establishes an instrument (DCI) under which the Union may finance:

- **geographic programmes** aimed at supporting development cooperation with developing countries that are included in the list of recipients of ODA established by the OECD/DAC, except for: countries that are signatories to the Partnership Agreement between the members of the ACP Group of States and the European Community and its Member States (excluding South Africa); countries eligible for the EDF, the European Neighbourhood Instrument or the IPA II;
- **thematic programmes** to address development-related global public goods and challenges and **support civil society organisations** and local authorities in partner countries;
- a **Pan-African programme** to support the strategic partnership between Africa and the Union.

**Specific objectives:** the primary objective of cooperation under this Regulation shall be the reduction and, in the long term, the **eradication of poverty** by fostering sustainable economic, social and environmental development, and consolidating and supporting democracy, the rule of law, good governance, human rights and the relevant principles of international law.

It should be noted that at least 95% of the expenditure foreseen under the thematic programmes and at least 90 % of the expenditure foreseen under the Pan-African programme shall fulfil the criteria for ODA established by the OECD/DAC.

**General principles:** the Union shall seek to:

- promote, develop and consolidate the principles of democracy, the rule of law and respect for human rights;
- pursue a **differentiated approach** amongst partner countries, in order to ensure that they are provided with specific, tailor-made cooperation based on their needs, their capacities to generate and access financial resources and on their absorption capacities; their commitments and performance; and the potential impact of Union assistance in partner countries;
- give priority to **countries most in need**, in particular the least developed countries, low income countries and countries in crisis, post-crisis, fragile and vulnerable situations (criteria such as the Human Development Index, the Economic Vulnerability Index and other relevant indexes, shall be taken into account in order to underpin the analysis and identification of the countries most in need);
- mainstream cross-cutting issues throughout all programmes (conflict prevention, decent work, climate change, emancipation of women, etc);
- ensure policy coherence for development and consistency with other areas of Union external action and with other relevant Union policies;
- apply the principle of a **permanent dialogue** with other donors and relevant international organisations and bodies;
- comply with the **principle of democratic ownership and mutual accountability** in order to promote the empowerment of people in partner countries and inclusive and participatory approaches to development, the use of innovative financial instruments, the mobilisation of private resources and **universal access to basic services**;
- promote the implementation of bilateral, regional and multilateral cooperation and dialogue, the development dimension of partnership agreements, and triangular cooperation. The Union shall also promote South-South cooperation;

- promote aid transparency by involving the European Parliament in the exchange views on planned programmes as well as with civil society and local authorities.

NB: it is clearly stated that Union assistance under this Regulation shall **not be used to finance the procurement of arms or ammunition**, or operations having military or defence purposes.

**Implementation:** Union assistance shall be implemented, in accordance with [transversal Regulation](#), through:

- geographic programmes;
- thematic programmes, composed of: (i) a 'Global Public Goods and Challenges' programme, and (ii) a 'Civil Society Organisations and Local Authorities' programme, and (iii) a Pan-African programme.

These programmes are detailed in the Regulation as well as their scope and the conditions of their adoption.

A Chapter in the Regulation also lays down the technical conditions of the **indicative allocation of funds** by the type of programme adopted. Conditions applicable to the adoption of:

- programming documents for geographic programmes;
- programming documents for thematic programmes;
- programming documents for the Pan-African programme;
- approval of strategy papers and adoption of multiannual indicative programmes.

The Commission shall approve strategy papers and shall adopt multiannual indicative programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure. Progress carried out in the areas of cooperation would be assessed through **performance indicators** defined in the Regulation.

**Financial envelope:** in accordance with the overall agreement on the financial framework, the financial envelope for the implementation of this neighbourhood instrument amounted to **EUR 19 661 639 000**, broken down according to the following indicative allocation as defined in **Annex IV** of the Regulation:

- **Geographic Programmes: EUR 11.809 billion** broken down as follows:

- Latin America: EUR 2.5 billion
- South Asia: EUR 3.813 billion,
- North and South east Asia: EUR 2.87 billion,
- Central Asia: EUR 1.072 billion,
- Middle East: EUR 545 million,
- Other countries: EUR 251 million.

- **Thematic programmes: EUR 7.008 billion** including:

- "Global Public Goods": EUR 5.1 billion including:
  - § Environment and climate change: 27% of this allocation,
  - § Sustainable Energy: 12%
  - § Human development, including decent work, social justice and culture: 25%
  - § Food and nutrition security and sustainable agriculture: 29%
  - § Migration and Asylum: 7%
- Support to civil society: EUR 1.907 billion.

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

An indicative amount of EUR 1 680 000 000 from the different instruments for financing external action (Development Cooperation Instrument, European Neighbourhood Instrument, Partnership Instrument and Instrument for Pre-accession Assistance) shall be allocated to actions in respect of learning mobility (ERASMUS +) to or from partner countries, and to cooperation and policy dialogue with authorities, institutions and organisations from those countries.

**Participation by a third country not eligible under this Regulation:** in exceptional and duly justified circumstances, the Commission may decide to extend the eligibility of actions to countries and territories which otherwise would not be eligible for financing, where the action to be implemented is of a global, regional, trans-regional or cross-border nature.

**Coherence and complementarity:** the Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through a comprehensive approach for each country based on coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between this instrument, other Union instruments for financing external action and other policies of the Union.

**Annexes:** other than Annex IV concerning the breakdown of the indicative amounts allocated to each programme, the Regulation comprises three other annexes:

- **Annex I** lists the areas of cooperation under the geographical programmes including the **fields of cooperation in regional areas**;
- **Annex II** defines the EU's 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;

**Dialogue with the European Parliament:** provisions have been laid down in a Commission declaration in which the Commission should inform the European Parliament of any actions carried out in the framework of the strategic dialogue.

**Suspension of the assistance:** a unilateral statement was made by the European Parliament on the suspension of assistance granted under the financial instruments. It states that financial instruments applicable to EU foreign policy do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country fails to observe the basic principles enunciated in the respective instrument. The European Parliament considers that any suspension of assistance under these instruments would modify the overall financial scheme agreed under the ordinary legislative procedure.

The following declarations should also be noted:

- a 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 DCI assistance to basic social services**, with a focus on health and education.

ENTRY INTO FORCE: 16.03.2014. The Regulation shall apply from 01.01.2014 to 31.12.2020.

**DELEGATED ACTS:** the Commission may adopt delegated acts as regards updating the elements of the Annexes to this Regulation which set out the details of the areas of cooperation under geographic and thematic programmes and the indicative financial allocations per geographic area and area of cooperation (in particular following the publication of the mid-term review report which is due by 31 March 2018). The power to adopt delegated acts is conferred on the Commission for the duration of the programme. The European Parliament or the Council may object to a delegated act within a period of two months from the notification (this period may be extended by 2 months). If the European Parliament or the Council make objections, the delegated act shall not enter into force.

## Financing instrument for development cooperation 2014-2020

2011/0406(COD) - 07/12/2011 - Legislative proposal

**PURPOSE:** to establish a new financing instrument for development cooperation 2014-2020 in the context of the recast of the EU's external assistance funding instruments and following on from the [previous financing instrument for development cooperation for the 2007-2013 period](#) (the DCI).

**PHILOSOPHY AND ACTION PLAN FOR EXTERNAL AID 2014-2020:** what happens outside the borders of the EU can and does directly affect the prosperity and security of EU citizens. It is therefore in the interest of the EU to be actively engaged in influencing the world around us, including through the use of financial instruments. The Lisbon Treaty marks, in this regard, a new departure in the EU's relations with the rest of the world.

The EU's engagement needs to be **tailored to individual circumstances**. Its partners range from development economies to the least developed countries in need of specific assistance from the EU.

In general, the overall objective for external action for the period 2014-2020 may be summarised as follows:

- long-term commitment to establishing an area of stability, prosperity and democracy in its own neighbourhood;
- facilitating the EU's engagement with third countries on issues that are of global concern, such as climate change, environmental protection, irregular migration and regional instabilities, and
- allowing the EU to respond rapidly and effectively to natural and manmade disasters around the world.

A major rationalisation of the instruments took place in 2003 and has begun to deliver more effective results. **The Commission does not consider that another major alteration of the legislative architecture is necessary for the next MFF period**, although some improvements are being proposed and the overall investment is being stepped up.

The Commission proposes to allocate **EUR 70 billion for the 2014-2020 period for external instruments broken down as follows:**

- The present Financing instrument for development cooperation
- [Partnership instrument for cooperation with third countries](#)
- [Instrument for Pre-accession Assistance \(IPA II\)](#)
- [European Neighbourhood Instrument](#)
- [Instrument for nuclear safety cooperation](#)
- [Instrument for Stability](#)
- [Instrument for the promotion of democracy and human rights worldwide.](#)

In parallel and for the first time, the Commission proposes a single horizontal [regulation establishing common rules and procedures for the implementation](#) of the Union's instruments for external action.

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

BACKGROUND: the number of people living in poverty continues to be a major problem in developing countries. While significant progress has been achieved, most developing countries remain off-track for the achievement of the Millennium Development Goals (MDGs) and are not able to successfully embark on the path of sustainable development in all its senses.

To aggravate the situation, global challenges continue to be prominent and developing countries were hit hard by the succession of recent crises resulting *inter alia* in social and economic instability, increased migration, food insecurity and an increased vulnerability to external shocks, among other effects. It is increasingly recognised that environmental and natural resources, vital for sustainable socio-economic growth, are increasingly at risk from climate change and rapid population growth.

The EU remains committed to helping developing countries to reduce and ultimately eradicate poverty. To achieve this objective, the Development Cooperation Instrument (DCI) Regulation was established for the 2007-2013 period with the primary and overarching objective of **eradicating poverty** in partner countries and regions.

This instrument consists of three categories of programmes:

- i) bilateral and regional geographic programmes covering cooperation with Asia, Latin America, Central Asia, the Middle East and South Africa ;
- ii) thematic programmes covering the following issues: investing in people, environment and sustainable management of natural resources including energy, non-State actors and local authorities, food security, and migration and asylum; and
- iii) accompanying measures for sugar-producing countries.

The current DCI regulation expires on 31 December 2013. The various reviews undertaken of the DCI have acknowledged its overall added value and its contribution to the achievement of the MDGs, but have also highlighted certain shortcomings. New challenges, together with the priorities set out in the Europe 2020 Strategy and the latest EU development policy, have prompted the Commission to make a proposal to review and adapt the DCI Regulation in line with the 2011 communication "[Increasing the Impact of EU Development Policy: An Agenda for Change](#)".

IMPACT ASSESSMENT: the Commission carried out an Impact Assessment (IA) that considered 3 basic policy alternatives:

- **Option 1:** maintaining the DCI Regulation without any amendment and
- **Option 2:** two alternatives for amending the DCI on each problem identified in the current DCI (**Options 2A and 2B**).

Option 1 was not accepted because it would not solve the problems identified. Sub-options A and B under Option 2 solve the identified problems to different extents, each having particular political and other implications. The IA concluded that **sub-option B** is better as it

differentiates clearly amongst partner countries and it streamlines the thematic programmes to provide the necessary flexibility to facilitate a more effective EU response to rapidly evolving situations in crisis, post-crisis and fragile states.

LEGAL BASIS: Article 209 (1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: with this proposal, the Commission establishes an instrument designed to finance:

- geographic programmes aimed at supporting cooperation with developing countries, territories and regions set out in the Annex to the Regulation (46 countries are concerned), which are included in the list of recipients of Official Development Assistance (ODA) of the OECD /DAC;
- thematic programmes to address global public goods and challenges and support civil society organisations and local authorities in countries, territories and regions eligible for Union funding under the European Neighbourhood Instrument, and ACP countries signatories to the Cotonou Agreement;
- a Pan-African programme to support the Joint Africa-EU Strategy in the countries, territories and regions covered by that Strategy.

**Objectives and eligibility criteria:** the Regulation lays down the objectives and eligibility criteria for DCI II, as well as the EU's development cooperation geographic and thematic programmes. The proposed regulation thus provides for the support of **all forms of cooperation in developing countries**. It requires fulfilling the criteria for ODA, subject to possible exceptions for the thematic and Pan-African programmes. For these programmes, **a 10% flexibility for non-ODA activities is foreseen** to cover for expenditure which, although not strictly speaking ODA-compliant, may be required for the adequate implementation of actions under these programmes.

**General principles:** the proposal sets out the main principles governing the implementation of the Regulation, which are:

- democracy, respect for human rights and fundamental freedoms and the rule of law;
- **differentiated approach towards the partner countries**, taking into account their needs, capacities, commitments and performance, and potential EU impact;
- key cross-cutting issues (such as gender equality and women empowerment);
- strengthened coherence of EU external action;
- improved coordination with the Member States and other bilateral or multilateral donors; and
- a **partner country-led and region-led development process** with mutual accountability, through an inclusive and participatory approach to development, using effective and innovative cooperation modalities thus improving the impact of aid and reducing overlap and duplication.

**Geographic and Thematic programmes:** the Regulation lays down the guiding principles:

- for the thematic programmes by means of which the EU assistance will be provided;
- the possible areas for cooperation and distinguishes between regional and bilateral cooperation.

**Differentiation:** the principle of differentiation will be applied as often as possible. As a consequence, bilateral development assistance would be provided to those partner countries which need it the most, and lack the required financial capacities for their own development. Also, the differentiation principle takes into account the potential impact of the Union assistance in partner countries.

Partner countries that shall benefit from bilateral development assistance are listed in the Annex to the Regulation. This Annex does not include countries "graduated" according to the following criteria: **partner countries representing more than 1% of the world's GDP and/or upper middle income countries according to the list of recipients of ODA** are in principle excluded. However, additional criteria relating to their need and capacity are used, such as Human Development Index, the Economic Vulnerability Index and aid dependency, as well as economic growth and foreign direct investment. Also the reliability of the available data is taken into consideration. All partner countries, however, would still benefit from regional and thematic programmes.

**Areas of intervention:** the Regulation does not restrict the areas of EU cooperation or intervention. Any listing of such areas is purely illustrative. Areas may be chosen because they are pertinent to achieving the aims laid down in the Treaty, to the EU's international obligations and commitments or to the specific objectives provided for in the agreements with partner countries and regions. They should nevertheless be proposed with reference to the EU's objective of concentrating assistance, with a view to ensuring that the EU's policy and the policies of the Member States complement each other

**Thematic programmes:** actions undertaken within thematic programmes bring an added value to actions financed under the geographic programmes. The characteristics of thematic programmes may be summarised as follows:

- **Global Public Goods and Challenges:** these actions will target the main global goods and challenges in a flexible and cross cutting manner. The main fields of activities that will be pursued by this programme include, *inter alia*, environment and climate change, sustainable energy, human development (including health, education, gender equality, employment, skills, social protection and social inclusion as well as economic development-related aspects such as growth, jobs, trade and private sector engagement), food security and migration and asylum. This thematic programme will enable swift response in view of unforeseen events and global crises (e.g. the food price crisis, avian flu).
- **Civil Society Organisations and Local Authorities:** programme in favour of Civil Society Organisations (CSOs) and Local Authorities (LAs) thematic which is based on the former Non-State Actors and Local Authorities programme. The focus of this programme has been sharpened with more attention given to capacity development of CSOs and LAs. The programme will promote an inclusive and empowered civil society and local authorities, increase awareness and mobilisation on development issues, and strengthen the capacity for policy dialogue on development.
- **Pan-African programme:** the Pan-African Programme is being set up to implement the Joint Africa-EU Strategy (JAES). It will be complementary and coherent with other financial instruments, notably the ENI, the EDF and the thematic programmes under DCI. While ENI and EDF focus on interventions at the regional or national level in Africa, the Pan-African programme shall be used to provide specific support for the objectives of the JAES, supporting in particular activities of transregional, continental and trans-continental nature, as well as relevant JAES initiatives in the global arena.

**Programming and allocation of funds:** this article of the proposal lays down the general framework for geographical and thematic programming, as well as for the allocation of the funds under this Regulation. To ensure synergies and complementarity of the Union's measures and those of the Member States, the Member States will be fully involved in the programming process. The consultation process will also include other donors and development actors as well as civil society and regional and local authorities.

Provision is, in particular, made for the following:

- **programming documents for geographic programmes** with an indicative allocation and multiannual indicative programmes. These also list exceptions for when a strategy paper would not need to be prepared in order to simplify the programming process as well as to favour joint programming with Member States. The strategy papers will be drafted in dialogue with the partner countries and regions, with relevant involvement of the civil society and regional and local authorities;
- a **Joint Framework Document** that would lay down a comprehensive Union strategy, of which development policy would be part;
- **Multiannual Indicative Programmes (MIP)** based on any programming documents, except when the total allocation would not exceed 30 million EUR. MIPs can be adjusted through a mid term or ad hoc review, in view of achieved objectives as well as in light of newly identified needs, such as those resulting from crisis, post-crisis or fragility situations.

**Flexibility:** the draft regulation provides that a certain amount should not be allocated in order to increase the instrument's flexibility and its ability to react to unexpected events (new priorities, natural or man-made disasters, etc.).

Other provisions are made for:

- Programming for countries in crisis, post-crisis or fragility situation emphasising the special needs and circumstances of countries in crisis, post-crisis or fragility situation and providing for a special procedure in this case;
- Programming documents for thematic programmes may undergo a mid-term review;
- Approval of Strategy Papers and adoption of Multiannual Indicative Programmes.

**Coherence and complementarity:** to make Union assistance more coherent and effective, and in particular to avoid programmes being split up among several different instruments, the proposed Regulation lays out the possibility to extend the eligibility of this Regulation to include all third countries, territories and regions, insofar as this contributes to the general objectives of the Regulation.

**Implementation:** implementation has been considerably simplified, with an article stipulating that the Regulation shall be implemented in accordance with the [future Regulation](#) establishing common rules and procedures for the implementation of the Union's instruments for external action.

BUDGETARY IMPACT: in line with the [Multiannual Financial Framework for the period 2014-2020](#) establishing the budget for Europe 2020, the Commission proposes to allocate **EUR 23.2947 billion** to this instrument for the period 2014-2020.

It is planned that no less than 50% of the programme for Global Public Goods and Challenges will be spent on climate change and environmental objectives and at least 20% on social inclusion and human development. Continued support for social inclusion and human development is foreseen through at least 20% of the Union's development aid. Lastly, this Regulation intends to contribute to addressing at least 20% of the Union's budget to creating low carbon and climate resilient societies.

DELEGATED ACTS: it is proposed that flexibility be reinforced by using delegated acts in accordance with Article 290 of the Treaty to make it possible to amend certain non-essential elements of the Regulation that affects the subsequent programming (e.g. annexes on eligible countries, areas for cooperation and indicative financial allocation per programme for 2014-2020).

## Financing instrument for development cooperation 2014-2020

2011/0406(COD) - 25/06/2012

The Council adopted a partial **general approach** on a package of eight EU financial instruments for external relations under the multiannual financial framework (2014-2020).

These are:

- [Instrument for Pre-accession Assistance \(IPA II\)](#);
- [European Neighbourhood Instrument](#);
- [Partnership Instrument for cooperation with third countries](#);
- [Instrument for Stability](#);
- [Financing instrument for the promotion of democracy and human rights worldwide](#);
- [Instrument for Nuclear Safety Cooperation](#);
- [Financing instrument for development cooperation](#);
- [Council Decision on relations between the European Union on the one hand, and Greenland and Denmark on the other](#).

At the same time, the Council adopted a partial general approach to the [revised common rules and procedures](#) for the implementation of the Union's instruments for external action.