EU BUDGET 2014-2020

Fit for the Fight against Global Poverty?

2013

European NGO confederation
for relief and development

CONCORD

Confédération européenne des ONG
d'urgence et de développement

ACKNOWLEDGEMENTS

_About this report

Over the last three years CONCORD has been actively engaged EU-wide in monitoring and influencing the negotiations on the EU's Multiannual Financial Framework for 2014-2020, with a particular focus on the development-related instruments and programmes. In this report, as the start of the implementation of this seven-year EU budget framework draws near, CONCORD assesses the context, process and content of the framework, together with its implications for the EU's development cooperation up until 2020.

CONCORD is the European NGO Confederation for Relief and Development whose 27 national associations, 18 international networks and 2 associate members represent over 1,800 NGOs, which are supported by millions of citizens across Europe. CONCORD leads reflection and political actions and regularly engages in dialogue with the EU institutions and other civil society organisations. At global level, CONCORD is actively involved in the CSO Partnership on Development Effectiveness, the Beyond 2015 campaign and the International Forum of NGO platforms. To find out more about CONCORD, see www.concordeurope.org

Report written by Johanna Stratmann (independent consultant), with the gender and human rights analysis contributed by Hanna Hansson (CONCORD Sweden). CONCORD's Multiannual Financial Framework Steering Group has given overall guidance and made substantial inputs to the writing of the report. The Steering Group consists of Karine Sohet (APRODEV), Lars Bosselman (CBM), Bruno Rivalan (Coordination Sud), Stephanie Beecroft (EU-CORD), Jessica Janrell (CONCORD Sweden), Alexandra Makaroff (Plan International), Frazer Goodwin (Save the Children), Isotta Pivato (CARE) and Hilary Jeune (Oxfam). Inputs and support also from Izabella Toth (CONCORD Board member, Cordaid).

Various others members of the MFF working group and representatives of other CONCORD working groups also made contributions, for which we are very grateful.

Copy-editing by Veronica Kelly.
Design and layout by
Michaël Vanderyken.

Thank you to Save the Children for the additional printing budget.

Process coordinated by Lonne Poissonnier (CONCORD) with the support of Claire Guénon des Mesnards (CONCORD). For further information about this report, please contact: Lonne.Poissonnier@concordeurope.org

EU BUDGET 2014-2020

Fit for the Fight against Global Poverty?

NOVEMBER 2013

European NGO confederation for relief and development

CONCORD

Confédération européenne des ONG d'urgence et de développement

INTRODUCTION

The Multiannual Financial Framework (MFF) determines the size of the European Union's common budget over a seven-year period, and its priorities. At the time of writing, in October 2013, the negotiations on the 2014-2020 MFF were in their final stages, with only two months to go before the first day of the scheduled implementation of European Union (EU) programmes, including in partner countries.

The process and outcomes of the lengthy, three-year MFF negotiations cannot be looked at in isolation: they need to be understood in the context of several other processes, trends and issues. On the one hand, the EU as a whole underwent an unprecedented economic and financial crisis, and the negotiations on the EU budget accordingly focused more than ever on results, added value and the benefits for intra-EU projects. Meanwhile, development cooperation had become even more important for the EU's partner countries which were suffering the effects of the crisis. On the other hand, the MFF negotiations have to be seen in the global context of debates around future financing for development, development effectiveness and the post-2015 framework. How has the future EU development framework been shaped by these processes – and what strengths, weaknesses, opportunities and threats will it entail? Is this a budget that will be able to address the multidimensional nature of poverty in its partner countries, taking into account not only income poverty but all aspects of sustainable development – economic, social and environmental?

The first part of this publication will set the MFF negotiations in their political context. It will give an overview of the relevant EU and global policy trends, and will analyse how they have impacted on future EU development assistance in the 2014-2020 MFF outcome documents. Building on this, the second part will go into more technical detail, assessing how the EU's commitments and policies have been implemented in the relevant legislative texts and aid programming documents, notably the European Development Fund (EDF) and the Development Cooperation Instrument (DCI). Throughout the report, practical recommendations will be put forward for all relevant actors, with the aim of improving the EU's development assistance both during its final programming in 2014 and in the subsequent implementation phase, throughout the entire budget period.

PART 1 EMBEDDED IN A POLITICAL REALITY

_Executive summary

The period of the 2014-2020 MFF will cover notably the 2015 deadline for the achievement of the Millennium Development Goals (MDGs) and the EU's own target to spend, collectively, 0.7% of GNI on development aid. It was negotiated while EU actors were participating in global discussions on development effectiveness (in Busan in 2011), future financing for development (for example at the Development Assistance Committee of the Organisation for Economic Cooperation and Development – OECD DAC) and the post-2015 agenda (with global consultations run by the United Nations).

After a thorough analysis of the negotiations and main outcome documents of the MFF at the political level – namely, the European Council conclusions of February 2013, the draft MFF regulation and the draft Interinstitutional Agreement – CONCORD recommends the following:

- That EU Member States should stick to their respective 0.7% and 0.33% ODA/GNI commitments and should recognise the role of the EU budget in helping them reach their targets. Accordingly, there should be no reshuffle to non-ODA funds, or any cuts to proposed payment appropriations under Heading 4, the EDF or the EAR during annual budget processes (as suggested by Council during the budget 2014 process) or the MFF review in 2016.

- The principle of policy coherence for development (PCD) should be implemented through the MFF, in line with the 2009 Lisbon Treaty. As various internal and external EU policies have a negative impact on the EU's partner countries and on the eradication of extreme poverty in general, there should be a reference to PCD, and a budget allocated to it, under each heading in the MFF.

- EU institutional power-sharing agreements and decision-making procedures should not adversely affect the implementation or design of development programmes, or the programmes' beneficiaries in the EU's partner countries. The EU institutions should adhere to the principles of aid effectiveness, transparency and accountability, and democratic ownership.

- MEPs who champion development should ensure that their party election manifestos include adequate development financing and a development policy framework aimed at the eradication of poverty, especially in view of recent media articles suggesting that after 2014 there could be a more extreme right-wing European Parliament (EP). The newly elected EP must ensure that the EU honours its international commitments and recognises the added value of EU development assistance.

The President of the Commission, the Commissioner for Development and the HR/VP should play a supportive role when EU development assistance comes under threat in the future, in particular during the annual budget procedures and the MFF review.

The EP, Member States and civil society in the EU should hold the Commission to account and request regular reporting on the 90% benchmark for ODA eligibility (for example as part of DG DEVCO's Annual Reports or the EU's Annual Reports on Financing for Development).

The Council Conclusions on post-2015 financing – due in December 2013, and based on the Commission Communication – must add a reference to the importance of the 2014-2020 EU aid budget in financing the global fight against poverty, improving sustainability and increasing equality between and among peoples and countries after 2015, thereby establishing a link with the post-2015 process.

The EU institutions must ensure that the promised new and additional funds for climate finance are over and above aid commitments, are monitored effectively and are reported transparently.

Civil society organisations should maintain pressure on governments and increase the awareness of citizens so that they understand and support the necessity for EU development assistance even, and especially, in times of crisis.

1. The European austerity climate and its impact on EU development assistance

The global economic and financial crisis of 2008 plunged the EU economy into its deepest recession since the 1930s.[1] In June 2011, at the time of the European Commission's proposal for the next MFF, EU leaders were grappling with a tough economic climate in Member States such as Greece, Spain and Portugal, high unemployment rates, especially among young people, and efforts to reconcile government deficits and national debt levels.

Frontloading growth, fiscal consolidation efforts and job creation in Europe were therefore high on the EU's political agenda.[2] There was a strong tendency for European governments to prioritise internal policies, and a strong inward-looking shift by the EU's external action – instead of a much-needed outward-looking focus on the impact of its internal policies on international development, in line with the PCD agenda.

The European Commission's proposal for the 2014-2020 MFF, "A Budget for Europe 2020",[3] was therefore presented throughout the MFF negotiations as an austerity budget.[4] It should be noted that, despite this background, the Commission's proposal honoured the EU's commitment to spend 0.7% of its collective GNI on official development assistance (ODA) by 2015 and suggested a 20% increase in its external spending budget, which includes all of the EU's instruments for financing ODA (comprising Heading 4 "Global Europe", the 11th EDF and the Emergency Aid Reserve (EAR)).[5]

The Commission's proposal was followed by a 20-month process of negotiations between Member States, first in the General Affairs Council (GAC), consisting of foreign and European affairs ministers and state secretaries, and culminating in two European Council meetings in November 2012 and February 2013. Owing to the dominant climate of crisis, two new groups of Member States were formed during the negotiations: on the one hand the "Friends of Better Spending", led by the Netherlands, Germany and Finland, and on the other the "Friends of the Cohesion Policy", consisting of the main beneficiaries of EU cohesion funds.[6] While the former group of states argued that the EU budget needed to reflect the austerity measures introduced by Member States at home, and therefore no increase would be acceptable, the latter depended on future subsidies from EU programmes in order to lift themselves out of the crisis and regarded the Commission's proposal as a "minimum" budget.

As a consequence of these crisis-driven dynamics, the protection of future spending levels of EU development assistance was not made a priority at the Council negotiations. During the Cyprus EU presidency in the second half of 2012 it became quite clear that all programmes, including those for development and humanitarian assistance, would be subject to reductions compared to the Commission proposal[7] – even though EU leaders had recommitted themselves to meeting the 0.7% ODA/GNI target only a few months earlier, at the European Council in June 2012.[8]

And indeed, the proposal presented by European Council President Herman Van Rompuy at the first MFF leaders' summit in November 2012 did include a drastic cut of €13 billion in EU external spending, compared to the Commission's proposal, including a €3 bn cut in the EDF (all in 2011 prices). While the MFF faced reductions both overall and across all budget headings, external spending – although accounting for only 6% of the total budget, and suffering from a chronic lack of resources – was disproportionately hit. As the final MFF decision was postponed to a second leaders' summit in February 2013, development campaigners and CSOs feared the worst and called on EU leaders to stand up for development aid.[9]

Meanwhile, the European Parliament repeatedly urged the Council not to use the crisis as an excuse for making cuts in the EU budget proposal (to either overall or external spending), and in its official MFF position of October 2012 it said that the Commission's original proposals for Heading 4 and the EDF should be regarded as "the bare minimum".[10] In February 2013 the European Council's final conclusions on the MFF,[11] however, stressed that the MFF must reflect the fiscal consolidation efforts made by Member States and agreed on the first-ever, historic reduction of €38 bn (in 2011 prices), or 4%, from one MFF to the next.[12]

Overall external spending was spared any further cuts between the two summits, and was therefore marginally increased compared to the 2007-2013 MFF, with a de facto freeze of the EDF, a 3% increase under Heading 4 and a 3% decrease in the EAR.[13]

Given the stronger EU foreign and external action policy envisaged in the Lisbon Treaty, however, and the importance for the EU of maintaining its global role and addressing global challenges, this is insufficient.

RECOMMENDATIONS

- **EU Member States must stick to their respective 0.7% and 0.33% ODA/GNI commitments and must recognise the role of the EU budget in helping them reach these targets. Accordingly, there should be no reshuffle to non-ODA funds or any cuts to proposed payment appropriations under Heading 4, the EDF or the EAR during annual budget processes (as suggested by Council during the budget 2014 process)[14] or during the MFF review in 2016.**

- **Civil society organisations (CSOs) should maintain pressure on governments and increase citizens' awareness so that they understand and support the necessity of EU development assistance even – and especially – in times of crisis.**

- **The principle of policy coherence for development must be implemented through the MFF, in line with the 2009 Lisbon Treaty.[15] As various internal and external EU policies have a negative impact on the EU's partner countries and on the eradication of extreme poverty overall, there should be a reference to PCD, and a budget allocated to it, under each heading of the MFF.**

2. Shifting EU power relations in the MFF negotiations

New provisions on the MFF decision-making process enshrined in the Lisbon Treaty granted increased powers to the European Parliament (EP), and therefore influenced the MFF negotiations and outcomes. The Lisbon Treaty grants the EP a de facto right of veto on any MFF deal reached between Member States, stipulating that the MFF shall become a legally binding act requiring the adoption by unanimity of the Council after obtaining the consent of the EP by the majority of its members.[16] The MFF can take effect only after the EP's plenary has given its consent to the MFF regulation and the Interinstitutional Agreement (IIA), the main legal documents for the MFF.

In reality, the EP was only marginally involved in the decision-making at the highest level between the two European Councils,[17] and therefore did not have much influence on the overall levels of spending agreed by EU leaders in February 2013. Instead, after this agreement had been reached it used its new-found powers to push for certain conditions with regard to budget processes. Most notably, the proposed MFF regulation[18] reflects the EP's demands for a compulsory review of the MFF by 2016 at the latest, as well as increased flexibility, in the annual budget procedures, to shift unpaid funds between financial years and between budget headings. Member States moreover agreed to the EP's requests to establish a high-level working group to discuss the issue of the EU's own resources and to transfer outstanding payments under the 2013 budget.[19]

Under the previous MFF, decisions about geographical or thematic priorities within the Development Cooperation Instrument (DCI), one of the EU's biggest external instruments under Heading 4, were taken by the EU Member States in the so-called "DCI Committee", based on proposals by the European Commission; whereas the EP was consulted about programming under the Regulatory Procedure with Scrutiny. With new powers granted to the EP by the Lisbon Treaty, so-called implementing and delegated acts are now used for taking decisions on the implementation of programmes, and the EP's negotiating team is determined to maintain – and even increase – its role of scrutinizing the DCI under the 2014-2020 MFF. While this could improve democratic scrutiny, it also caused the DCI negotiations between the EP, the Council and the Commission to be blocked for an entire year, with still no agreement by the end of October 2013, the time of writing this publication.

The Lisbon Treaty also created a new institution in the field of EU external action, namely the European External Action Service (EEAS), which formally started operations in 2011. The EEAS, however, had no formal role in the political decision-making on the overall spending levels for EU development cooperation, or its priorities, and the European Commissioner for Development, Mr Andris Piebalgs, led the discussions on all external spending instruments.

While other actors – such as the European Commissioner for International Cooperation, Humanitarian Aid and Crisis Response, Ms Kristalina Georgieva – repeatedly urged decision-makers to protect the Commission's proposal for humanitarian and development assistance in the MFF negotiations, disappointingly, the High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission (HR/VP), Ms Catherine Ashton, did not use her political influence or role as a facilitator between EU institutions and Member States to that end – at least not publicly.

RECOMMENDATIONS

- **EU institutional power-sharing agreements and decision-making procedures should not adversely affect the implementation or design of development programmes, or the programmes' beneficiaries in the EU's partner countries. The EU institutions should adhere to the principles of aid effectiveness, transparency and accountability, and democratic ownership.**

- **Development champions among the Members of the European Parliament (MEPs) should ensure that their party election manifestos include adequate development financing and a development policy framework aimed at the eradication of poverty, especially in view of recent media articles[20] suggesting that after 2014 there could be a more extreme right-wing European Parliament. The newly elected EP must ensure that the EU honours its international commitments and recognises the added value of EU development assistance.**

- **The President of the Commission, the Commissioner for Development and the HR/VP should play a supportive role when EU development assistance comes under threat in the future, in particular during the annual budget procedures and the MFF review.**

3. A changing policy environment for EU development cooperation

When the MFF negotiations were being held, not only were there a new EU institutional framework and a difficult global economic and financial climate – it was also a crucial time for global development at the international level.

The period of the 2014-2020 MFF will cover notably the 2015 deadline for achieving the Millennium Development Goals (MDGs) and the EU's own target of spending 0.7% of its collective GNI on development aid. Negotiations took place while the EU actors were participating in global discussions on development effectiveness (in Busan in 2011), future financing for development (for example at the Development Assistance Committee of the Organisation for Economic Cooperation and Development – OECD DAC) and the post-2015 agenda (with global consultations run by the United Nations).

While Part II will outline in more detail how some of these policies have affected, in particular, the planned implementation of EU development assistance in 2014-2020, via the technical regulations and programming documents, Table 1 below gives an initial overview of the most important EU development commitments relevant to the MFF.

Table 1_**EU development commitments relevant to the MFF**

Issue	EU policies and commitments
Global eradication of extreme poverty	- Lisbon Treaty Article 208 on Policy Coherence for Development (2009)[21] - The European Consensus on Development (2005)[22] - Commission communication "A twelve-point EU action plan in support of the Millennium Development Goals" (2010) - Commission communication: "Increasing the Impact of EU Development Policy: An Agenda for Change" (2011)[23] and subsequent Council conclusions (2012)[24]
Post-2015 framework	- Council conclusions on "The Overarching Post-2015 Agenda" (2013)[25] - Commission communication "A Decent Life for All: Ending Poverty and Giving the World a Sustainable Future" (2013)[26]
Development effectiveness	- Signatory to the Busan Partnership for Effective Development Cooperation (2011)[27] - EU Common Position for the Fourth High-Level Forum on Aid Effectiveness (2011)[28] - Council Conclusions on an Operational Framework on Aid Effectiveness (2009)[29], with additions on cross-country division of labour (2010) and accountability and transparency (2010)

Issue	EU policies and commitments
Financing for Development/ODA	- Signatory to the Monterrey Consensus on Financing for Development (2002) and the Doha Declaration on Financing for Development (2008) - Commission communication "Beyond 2015: towards a comprehensive and integrated approach to financing poverty eradication and sustainable development" (2013)[30] - Commission communication "Improving EU support to developing countries in mobilising Financing for Development" (2012)[31] - Council Conclusions on the United Nations Framework Convention on Climate Change (2013)[32] - EU collective commitment to spend 0.7% of its GNI on ODA by 2015, to increase its collective ODA to sub-Saharan Africa by devoting at least 50% of the agreed increase in ODA to Africa as a whole (European Council conclusions 2005)[33]
CSOs in Development	- Commission communication "The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations" (2012)[34] - Signatory to the Final Statement of the "Structured Dialogue for an efficient partnership in development" (2011)[35]
Human Rights	- EU Strategic Framework and Action Plan on Human Rights and Democracy (2012)[36] - EU Guidelines for the Promotion and Protection of the Rights of the Child (2007)[37] - EU Action Plan on Children's Rights in External Action (2008)[38]
Gender	- EU Plan of Action on Gender Equality and Women's Empowerment in Development Cooperation (2010-2015)[39] - EU toolkit on mainstreaming gender equality in EC development cooperation (2004)[40] - EU guidelines on violence against women and girls and combating all forms of discrimination against them (2008)[41]
ACP-EU Partnership	- ACP-EU Partnership Agreement, signed in Cotonou in 2000, revised in 2005 and 2010[42] ("The Cotonou Agreement")
Africa-EU Partnership	- Joint Africa-EU Strategy (2007)[43] and its Second Action Plan (2010)[44]

The 2005 European Consensus on Development remains the cornerstone of EU development cooperation, but it was supplemented by the "Agenda for Change" adopted by the EU development ministers in 2012. The Agenda for Change outlines a new two-pillar approach designed to increase the impact of EU development cooperation in a changing global context:

(i) The promotion of human rights, democracy, the rule of law and good governance;
(ii) The promotion of inclusive, sustainable growth, including actions relating to social protection, health, education and support for sustainable agriculture and energy.

Furthermore, the EU will focus its development assistance where it can have the greatest impact, and will therefore apply a "differentiated" approach to its bilateral cooperation programmes, will increase both its financial collaboration with the private sector and its use of blending mechanisms, and will focus its cooperation on the priority sectors outlined under the two pillars above. Along with the Agenda for Change, the EU updated its budget support policy,[45] increasing the focus on the promotion of human rights, democracy and rule of law and strengthening core government systems, accountability and budget transparency together with domestic resource mobilisation.

While the EU's international commitments and its own policies, outlined above, have to a great extent influenced the MFF's implementing regulations, agreements and programming documents in the field of development cooperation (as analysed in Part II), they have also – albeit to a lesser extent – shaped relevant passages of the outcome documents of the overall MFF negotiations, namely the European Council conclusions on the MFF, the draft MFF regulation and the draft Interinstitutional Agreement (IIA), as quoted below.

3A HOW HAVE THESE COMMITMENTS BEEN REFLECTED IN THE MFF'S POLITICAL OUTCOME DOCUMENTS?

In May 2012, EU development ministers agreed that the Agenda for Change principles would "guide the design and implementation of external action instruments under the Multiannual Financial Framework 2014-2020".[46] In the highest political outcome document, i.e., the MFF agreement between EU leaders of February 2013, these principles have indeed been amply reflected. First, the conclusions state that the MFF should aim to increase the impact of EU development cooperation. In line with the differentiation agenda and updated budget support policy in the Agenda for Change, the EU's financial support should furthermore be adapted to partners' development situation and their commitments to human rights, democracy, the rule of law and good governance. As with the other budget headings, under Heading 4 the European Council aims at increased flexibility within its external spending budget, with a focus on efficiency in implementation.[47]

With regard to the EU's financing for development commitments, a new feature in the overall MFF 2014-2020 framework is the introduction of a 20% benchmark for climate action objectives, which will be mainstreamed through all budgetary headings, including external spending. The European Council conclusions moreover reiterate the commitment to spend 0.7% GNI on ODA by 2015 as a "key priority" for Member States, and they state that at least 90% of the EU's overall external assistance under the MFF should therefore be counted as ODA – interestingly, specifying that this means ODA "according to the present definition established by the OECD Development Assistance Committee".[48]

As they have only marginally increased the EU institutions' development cooperation budget for 2014-2020, however, EU governments will now have to step up their own aid budgets considerably. In fact, estimates by the Commission show that while the EU institutions' aid used to account for 20% of all EU aid, this share will now decrease to 12% – leaving it up to Member States to provide the bulk of the remaining 88%. [49]

The European Council conclusions state that the commitment to 0.7% ODA/GNI by 2015 will help the Union make a "decisive step towards achieving the Millennium Development Goals",[50] thereby acknowledging the importance of the EU's existing international poverty-reduction targets. Strikingly, however, while EU leaders and high-level EU institutions officials alike are engaged in the global process of defining a post-2015 framework covering the three dimensions of sustainable development (economic, environmental and social), governance and other global challenges – and despite the fact that four years of the 2014-2020 MFF will be implemented in a new 'post-2015' context – none of the political MFF documents makes reference to this process or what it entails across a wide range of issues.

Furthermore, by failing to address the negative impact that various internal and external EU policies have on developing countries and poverty eradication, the political MFF documents fail to tackle the root causes of poverty. The Lisbon Treaty obligation to ensure PCD means that all EU policies must support the development of partner countries, or at least not conflict with the EU's development objectives, which are centred on the eradication of poverty. The relevant Article 208, along with the rest of the Lisbon Treaty, entered into force during the period of the current 2007-2013 financial framework, and hence the new MFF should reflect this obligation.

RECOMMENDATIONS

- The EP, Member States and European civil society should hold the Commission to account and request regular reporting on the 90% benchmark for ODA eligibility (for example as part of DG DEVCO's Annual Reports or the EU's Annual Reports on Financing for Development).
- EU Member States must meet their long-standing collective commitment to devote 0.7% of GNI to ODA in a transparent and accountable way, and must eliminate inflated aid.
- The Council Conclusions on post-2015 financing – due in December 2013, and based on the Commission Communication – must add a reference to the importance of the EU aid budget 2014-2020 in financing the global fight against poverty, improving sustainability and increasing equality between and among peoples and countries after 2015, thereby establishing a link with the post-2015 process.
- The EU institutions must ensure the promised new and additional funds for climate finance are over and above aid commitments, are monitored effectively, and are reported transparently.
- The principle of policy coherence for development should be implemented through the MFF, including through all instruments, both external and internal.
- The EU institutions should agree to the allocation of funds from innovative sources to sustainable development and international climate finance, for example by redirecting subsidies away from fossil fuels and from the carbon pricing of maritime and aviation transport, and should set aside 50% of revenues from the eleven-country European financial transaction tax.

PART 2

WHICH INSTRUMENTS AND PROGRAMMES WILL DELIVER ON THE EU'S DEVELOPMENT COOPERATION COMMITMENTS?

_Executive summary

While its real impact on the MFF, EDF and DCI documents will become evident only after they have been implemented for a few years, it is already clear that the Agenda for Change policy has been amply reflected in relevant regulations and programming documents. Other international and EU commitments, in particular with regard to human rights and gender equality, have been rather neglected, while there has been a strong focus on the implementation of the major EU development effectiveness principles agreed in 2011. CONCORD therefore recommends the following for the implementation of EU aid programmes in 2014-2020:

Differentiation: The Commission and EEAS need to engage in a country dialogue, with local civil society and other donors present, in order to identify tailor-made alternatives for those countries that will no longer benefit from bilateral DCI funding and to decide jointly on the best phasing-out approach. It is important to recognise that there are still large areas of inequality in these partner countries, and there are still commitments to achieve the MDGs. In ACP countries, the "differentiation in volume" approach must be implemented in consultation with civil society organisations to ensure that the poorest people in the ACP's MICs are not left behind, and that the DCI's thematic programmes, and the EDF envelopes for CSOs, will attempt to fill the gap.

Financing for development: The EU and its Member States need to stick to their 0.7% GNI/ODA targets, with a particular watchdog and awareness-raising role for CSOs and the European Parliament to ensure that development aid will not actually decrease in the course of the MFF. The EU institutions and the Member States must ensure that the so-called "DAC-ability" target of 90% ODA will be met, and to avoid a further inflation of aid they need to engage in international processes around the redefinition of ODA.

- **Role of civil society:** CSOs must continue to play their important role in making the link between the EU's political and policy levels and the everyday reality for people living in developing countries. They should also engage further in multi-stakeholder dialogues during the implementation of EU programmes, in particular to debate jointly the use of new aid modalities and ensure that their views are taken into account by the EU institutions. The Commission needs to ensure an appropriate mix of funding modalities, including broadly accessible support for civil society through calls for proposals under the new global public goods and challenges (GPGC) programme, the pan-African programme and the CSO-LA programme. Any decision to align EU priorities to national development plans must make it a condition that CSOs are involved in the formulation of such documents, while joint programming exercises must be transparent and must include local CSOs.

- **Role of the private sector:** Before developing the mechanism for blending loans and grants any further, the EU needs to take a serious look at the transparency and accountability mechanisms of existing blending facilities. This involves consulting CSOs, and making sure that EU development objectives and policy coherence for development are the main focus, and that a full and independent review of these blending facilities is in place. It should moreover be ensured that support for the private sector is focused primarily on local private-sector enterprises. Before the implementation phase begins, the Commission therefore needs to clarify in more detail how private-sector involvement will work in the future, inter alia via an official communication.

- **Development effectiveness:** The EU needs to take a leading role in the new Global Partnership for Effective Development Cooperation and its Busan Monitoring Framework, in order to translate rhetoric into reality and ensure that the global community delivers on the international development commitments it has made.

- **Post-2015:** All future funding streams and programming must be able to reflect the likely outcomes of post-2015 negotiations; and while these cannot be fully predicted now, the issues that are likely to be covered are clear. Flexibility will be needed to reflect new ideas and agreements on how best to address the issues of equality, inclusive growth, and the multi-dimensional nature of poverty.

- **HRBA and gender:** While respecting partner countries' ownership and national priorities, the EU institutions should promote common values by highlighting the importance of focusing on the sectors where EU assistance can have the greatest impact. As stated in the European Consensus on Development, these common values include human rights and gender equality. The EU must live up to its own commitments in the EU Plan of Action on Gender when programming and implementing all its external instruments, which should be designed and implemented in accordance with the principles of the UN Common Understanding on a Human Rights-Based Approach to development.

- **Health and basic education:** The EU must earmark at least 20% of all EU aid for health and basic education, including in the EDF and all DCI programmes.

The data collected by EU delegations with regard to this benchmark should be made publicly available, inter alia by including it in the Commission's annual reports on financing for development and on its development cooperation activities.

Africa-EU relations: The DCI's Pan-African Programme should be developed in an inclusive consultation process, involving civil society, the African Union and other African stakeholders, and it should support the priorities jointly agreed by EU and African partners under the framework of the Joint Africa-EU Strategy (JAES). It should moreover include a specific funding envelope to support the activities of civil society organisations on both continents.

While we demonstrated in Part I that the Agenda for Change and other policy issues, in particular the Financing for Development agenda, had an impact on the MFF negotiations and their outcome documents, it will be crucial for development actors to understand how those policies – and their new elements – will shape EU development assistance in reality. We will therefore focus now on the regulations and programming documents for the EDF and the DCI, to analyse how the policies outlined in Part I have shaped them.

1. General remarks on EU external instruments under the 2014-2020 MFF

In December 2011, within the framework of the overall MFF the European Commission presented a package of proposals for nine regulations for the EU's so-called "external instruments", including the DCI and the EDF, accompanied by an umbrella communication entitled "Global Europe: A New Approach to financing EU external action".[51] One new instrument that has been introduced is the Partnership Instrument[52] (PI), which is to replace the Instrument for Cooperation with Industrialised Countries (ICI), as the Commission is increasingly looking to co-operate with new emerging economies such as Brazil, India and China on issues to do with advancing core EU interests and on common challenges of global concern.

New guiding principles inspired by the Agenda for Change

The structure of the EU's external spending was only marginally revised, the main difference being in a new set of guiding principles for the instruments, in line with the Agenda for Change:

- A differentiated approach (end of bilateral programmes with a number of Upper Middle-Income Countries (UMICs), with a particular focus on fragile states, sub-Saharan Africa and the EU's neighbouring countries);
- Different forms of cooperation, including with the private sector, and in particular a stronger focus on blending EU grants with loans from international financing institutions;
- Concentration of spending to avoid aid fragmentation and sectoral dispersion (maximum of three sector priorities per bilateral programme);
- More flexibility, to increase the EU's capacity to respond to unforeseen events;
- Simplified rules and procedures for programming and the implementation of EU assistance;
- Greater focus on human rights, democracy and good governance.[53]

Cross-cutting issues

The Global Europe communication mirrors the EU's commitment to human rights, and states that there should be a greater focus both on EU investment in the enablers and drivers of inclusive and sustainable development and on supporting human rights, democracy and other key elements of good governance, including the promotion of gender equality and girls' and women's rights. While the next MFF continues to include a dedicated "European Instrument for Democracy and Human Rights" (EIDHR; indicative amount from the EC proposal: €1.2 bn in 2011 prices), all of the EU's geographical and thematic programmes should mainstream and promote democracy and human rights.[54]

Harmonisation, alignment and ownership

The overall MFF principles of flexibility and simplification are reflected throughout the EU's external spending instruments, in particular through a major reform of the programming process for EU development assistance. First, as will be elaborated further below, the programming guidelines for the DCI and the 11th EDF – which together account for over €47 bn in funding for 2014-2020[55] (in 2011 prices) – have been standardised, meaning that EU delegations in over 100 countries are now programming on the basis of the same instructions from EU headquarters. Secondly, whereas under the current financial framework and EDF the programming of EU funds is always based on a so-called "Country Strategy Paper" (CSP) or "Regional Strategy Paper" (RSP), the communication proposed that, under the new MFF, any of the following documents may be regarded as a strategy paper:

(1) A partner country's national strategy paper (National Development Plan or similar) recognised by the EU institutions;
(2) A joint programming document prepared with Member States by the EU institutions;
(3) An EU Joint Framework Document (JFD), prepared with Member States by EU institutions;
(4) A Country or Regional Strategy Paper prepared by the EU institutions.

CSPs and RSPs should become the exception rather than the rule under the 2014-2020 MFF, while the EU's multi-annual indicative programmes (MIPs), which define financial allocations per country and sector, should preferably be based instead on any of the first three options. Furthermore, programming periods should theoretically be aligned to the cycles of national strategy papers – even if that means that EU programming cycles vary from one country to another.[56]

In order to simplify the EU's regulatory environment for its external instruments, the Commission additionally proposed a new common implementing regulation (CIR)[57] which contains a set of simplified, harmonised rules and procedures for the geographical and thematic instruments under Heading 4 that were part of the December 2011 package. Given the special nature of the Cotonou Agreement, whose implementation it is financing, the 11th EDF remained outside the scope of the CIR. The implementing and financial regulations for the 11th EDF have, however, been drafted in line with the CIR.

In addition to the European Parliament's efforts to have a greater say in programming future external instruments (as described in Part I), a major new element in the process is the involvement of the EEAS. The European Commission remains in the lead for the programming cycle, but the EEAS plays a "co-leadership"[58] role and is involved in any decision concerning financial allocations to partner countries or regions.

During the budget negotiations, CONCORD – together with other EU CSO networks – has emphasised the need to prioritise those instruments that are most focused on development, humanitarian aid, democracy and human rights, i.e. the DCI, the Humanitarian Aid Instrument, the European Instrument for Democracy and Human Rights (EIDHR), the Instrument for Stability (IfS) and the European Neighbourhood Instrument (ENI) under Heading 4,[59] as well as the EDF. In this report, we will focus on the two main development instruments, namely the DCI and the EDF.

2. The Development Cooperation Instrument (DCI)

While the EDF – with €26.9 bn (in 2011 prices) for 2014-2020 – remains the single biggest external instrument managed by the EU institutions, the DCI is the biggest under the EU budget (currently proposed at €17.4 bn in 2011 prices). Its primary objective is the "reduction and, in the long term, the eradication of poverty",[60] and it finances geographical programmes in Asia, Central Asia, Latin America, the Middle East and South Africa as well as so-called thematic programmes in all third countries.

These programmes complement EU bilateral aid mainly by funding programmes (based on themes) that are implemented by UN agencies, other international organisations and civil society organisations.

The Commission initially proposed dividing the DCI up and allocating 60.1% to geographical programmes, 35.6% to thematic programmes (including an important €2,000 m allocation to the CSO-LA programme) and 4.3% to the pan-African programme.

As an integral part of the EU budget, the negotiations on the DCI follow the same procedure as any of the MFF's 65+ legislative acts. After the initial Commission proposal, in December 2011, for a new DCI regulation under the 2014-2020 MFF, the Council and EP both agreed on their negotiating positions, adopted in June[61] and September[62] 2012 respectively. From September 2012 until the time of writing (end of October 2013), the EU institutions were negotiating the DCI regulation in the so-called "trilogue" process,[63] and had been unable to reach agreement on the principle of delegated acts which has so far blocked discussion on many other important issues of content in the DCI proposal.[64]

2A MAIN NEW ELEMENTS AND IMPORTANT CROSS-CUTTING ISSUES IN THE DCI REGULATION[65]

Differentiation

The European Commission's proposal for the next DCI is very much in line with the principles enshrined in the Agenda for Change policy. Under its geographical programmes, which currently account for around 60%, the Commission proposes to reduce drastically the DCI's list of countries eligible for bilateral cooperation – in line with the Agenda for Change principle of focusing on the countries "most in need"[66]. In order to determine which countries will "graduate" from a traditional donor/recipient relationship and will cease to receive bilateral assistance, the Commission proposes to use two main criteria: (1) partner countries representing more than 1% of the world's GDP and/or (2) UMICs on the DAC list of ODA recipients. In line with these criteria, the Commission has proposed to remove 19 countries from the list of DCI countries eligible for bilateral aid (while they would in principle continue to remain eligible for regional and thematic funding).[67]

The Commission emphasises that it will continue to engage in those countries that will no longer receive bilateral aid (inter alia as they remain eligible for EU assistance under regional and thematic programmes), in particular via new cooperation avenues such as blending facilities and non-ODA funding under the newly created Partnership Instrument. It will also allow the EU to pursue agendas beyond development cooperation with industrialised countries, emerging economies, and countries where the EU has significant interests.

Questions remain about the development of adequate phasing-out strategies in coordination with partner governments and civil society,[68] and the EU's responsibility to support not only the poorest countries, but also the world's poorest people – more than 70% of whom live in Middle-Income Countries (MICs).[69]

The European Parliament's negotiating position on the DCI therefore calls for the inclusion of additional eligibility criteria that, in exceptional cases, would allow the EU to continue bilateral cooperation with UMICs if additional poverty-related and human development criteria were met.[70] Two countries have already been put forward for exceptional treatment by the Council and the Commission, namely, South Africa and Cuba. The European Parliament's proposed additional criteria – taking the multidimensional causes of poverty into account more – would allow three countries (Colombia, Peru and Ecuador) to be removed from the Commission's list. According to the latest information, it seems that all five of them could potentially continue to be eligible for EU bilateral assistance under the next DCI – even if with perhaps fewer resources than before, and with a phasing-out strategy for the first few years. According to the EP's negotiating position, a phasing-out period should be defined together with the partner country.

Growth and the private sector

The focus of the Agenda for Change is on sustainable and inclusive growth, rather than on sustainable and inclusive development. This shift in language is a clear reflection of the DCI's aim to increase cooperation with the private sector, and the draft regulation provides that the EU "should develop new ways of engaging with the private sector, notably with a view to leveraging private-sector activity and resources for delivering public goods", and that a "higher percentage of EU development resources should be deployed through existing or new financial instruments, such as blending grants and loans and other risk-sharing mechanisms".[71] In its list of potential EU external financing types under the 2014-2020 MFF, the proposed CIR consequently – and as a potentially distinctive change in EU aid modalities – includes non-ODA financial instruments such as loans, guarantees, equity or quasi-equity investments or participation, and risk-sharing instruments, and it allows for the possibility of combining those instruments with EU grants.[72]

The proposed DCI reflects the EU institutions' new desire for increased private-sector collaboration and states that it should promote those modalities and instruments in selected sectors, countries and private-sector engagement, in line with OECD DAC best practice. In addition, it states that the respective modalities need to be adapted to the particular circumstances of each DCI country/region, "with a focus on programme-based approaches, on the delivery of predictable aid funding, on the mobilisation of private resources, on the development and use of country systems and on results-based approaches to development including, where appropriate, internationally agreed targets and indicators such as those of the MDGs".[73] The Commission has yet to develop a detailed strategy, however, on how this private-sector involvement will ensure poverty reduction and contribute to human development. The European Parliament's negotiating position is that such operations should be subject to poverty impact assessments before, during and after their implementation, and puts emphasis on the involvement of the local private sector in such EU programmes.[74] In line with the EP position, civil society organisations argue the need to ensure that sustainable-development and poverty-reduction outcomes are reinforced, that transparency, accountability and reporting are increased at all stages of the blending projects cycle, and that CSOs are, accordingly, involved and consulted throughout the design and implementation of projects.

Flexibility and simplification

In addition to abolishing the need for a CSP/RIP as an EU cooperation strategy (as described above), the new DCI regulation introduces the possibility of leaving funds unallocated during the programming process. The current DCI does not contain any unallocated funds, and the Commission found that this reduced its scope for mobilising resources to respond to unforeseen needs or events (such as the 2008 food crisis or the Haiti earthquake). While at the time of writing it seemed that the intention was to pool resources as a sort of general DCI reserve that could be easily accessed to respond rapidly to unforeseen events, it had not yet been decided whether or not the EP's proposal to cap any unallocated funds at 5% of the total DCI (an indicative seven-year budget of €870 m) would be implemented.[75]

Thirdly, the principle of increased flexibility and simplification is reflected in the proposed merging of thematic programmes under the next DCI. The current DCI finances five thematic programmes (see Table 2 below). The Commission found that in some cases the thematic programmes had been too fragmented to respond to global crises, and therefore proposed merging programmes into a single new "Global Public Goods and Challenges Programme" (GPGC). Moreover, the Non-State Actors and Local Authorities (NSA-LA) programme, which will continue to exist separately, has been renamed the "Civil Society Organisations and Local Authorities" (CSO-LA) programme, with an increased focus on capacity development (see more detailed analysis below).

Table 2_**Comparison of DCI thematic programmes (2007-2013 vs. draft MFF 2014-2020)**

DCI 2007-2013	DCI under (draft) MFF 2014-2020
1) Environment and sustainable management of national resources (incl. energy) 2) Investing in people 3) Food security 4) Migration and asylum	1) Global Public Goods and Challenges, covering: - Environment and climate change - Sustainable energy - Human development - Food security and sustainable agriculture - Migration and asylum
5) Non-state actors and local authorities in development	2) Civil society organisations and local authorities
	3) Pan-African programme[76]

As a complete novelty under the DCI, the Commission proposed the establishment of a pan-African programme, aimed at supporting the implementation of the revised Joint Africa-EU Strategy (JAES) from 2014 onwards. As the Commission had found that cross-regional initiatives were difficult to programme under the existing structure of the EU's external instruments, the Pan-African Programme aims to complement the EDF and the European Neighbourhood Instrument (and their national and regional programmes in Africa) and the DCI's two thematic programmes.

Cross-cutting issues in the DCI

In line with the EU's recognition that gender equality and women's empowerment have a major impact on poverty reduction and are the key to all development, as enshrined in the European Consensus[77] and the Agenda for Change, the proposed DCI regulation highlights gender equality as a cross-cutting issue which should be mainstreamed in all its programmes. It does not, however, set gender equality/ women's empowerment as a goal in itself with a specific budget allocation or earmarked percentage. Nor is there any mention of the importance of combating violence against women and girls, despite the fact that this is supposed to be a priority within the framework of bilateral and multilateral cooperation on defending human rights, according to the EU guidelines on violence against women and girls and combating all forms of discrimination against them (2008) and the EU Action Plan on Gender (2010).

Reflecting the language of the Agenda for Change, the DCI proposal also reiterates that human rights is a general principle and a cross-cutting issue that is to be mainstreamed in all programmes. There is no explanation of how this will be ensured, however, nor does the proposal include any specific goal or earmarked funding for human rights. Other issues to be mainstreamed are gender equality, the empowerment of women, non-discrimination, democracy, good governance, the rights of the child, the rights of indigenous peoples, social inclusion and the rights of persons with disabilities, environmental sustainability (including addressing climate change), and combating HIV/AIDS.

2B DCI THEMATIC PROGRAMMES AND PAN-AFRICAN PROGRAMME

The DCI's thematic programmes have a different programming process from its geographical ones (described further below), as the European Commission's DG DEVCO leads on the preparation of guidelines and multi-annual indicative programmes, and the EEAS is consulted only along with other Commission services.[78] Before the Commission adopts the MIPs, external stakeholders – including civil society, Member States represented in the so-called "DCI Committee" and the European Parliament's Development Committee – are also consulted (the degree to which the latter will be involved is still to be decided as part of the overall DCI negotiations). In addition, the Commission subsequently prepares so-called "Annual Action Programmes" to guide the implementation of the thematic programmes in more detail.[79]

At the time of writing, the European Commission had not yet formally started the programming of the DCI's thematic programmes, as the legal basis for this process – the DCI regulation – had not yet been adopted by Parliament or the Council, and the EP's role in the programming had yet to be defined. As a result, no proposals for the new GPGC Programme or the Pan-African Programme had been published, while for the CSO-LA programme only a "preparatory document" (published in June 2013)[80] was available. This had been presented at the Policy Forum on Development, which consisted of the participants in the Structured Dialogue with representatives from the civil society platforms and the Commission.

CSO-LA programme

The Commission's CSO-LA preparatory document sets out two main objectives under the DCI's overall goal of alleviating poverty:

(1) To "improve governance and accountability through inclusive policy-making by empowering citizens and populations through the voicing and structuring of their collective demands to contribute to [tackling] injustice and inequality"; and

(2) To "contribute to [enhancing] livelihood opportunities for populations to participate in and benefit from [...] just, inclusive and (environmentally) sustainable in the long term economic growth".[81]

It is proposed that the future CSO-LA programme will finance actions aimed at enabling civil society and local authorities to participate in policy-making at all levels and to respond to populations' needs, with a focus on promoting innovative forms of interaction and coordination between CSO and LA actors in general. Three main priorities are therefore pursued:

- Enhance CSOs'and LAs' contributions to governance and development processes, as actors in governance and accountability and as partners in working for social development and cohesion and for inclusive growth;
- Reinforce regional and global CSO and LA networks;
- Develop and support Development Education Awareness Raising (DEAR) initiatives.

In the document the Commission recognises the importance of supporting the work of women's organisations in partner countries, but fails to include an overall strategy for gender equality and women's empowerment. With regard to human rights, the CSO-LA preparatory document falls short of making any explicit mention of how to ensure a human rights-based approach to development in the programme.

Global Public Goods and Challenges Programme

With regard to the new GPGC programme, the Commission includes proposals for potential activities in the draft DCI regulation, and outlines areas of cooperation for each of the five broad sectoral priorities outlined above. In light of the merging of the (previously separate) thematic programmes, the text furthermore emphasises that, given their strong interconnections, a maximum degree of synergy should be ensured.[82] Out of the GPGC's indicative budget of €5 bn for 2014-2020,[83] it is proposed that 32% (€1.6 bn) should be divided between environment and climate change activities, 28% (€1.4 bn) should be spent on food security, 20% (€1 bn) on human development, 13% (€635 m) on sustainable energy and 7% (€355 m) on migration and asylum.[84] A further breakdown and more detailed priorities are not expected until the forthcoming multiannual indicative programme for the GPGC, but CONCORD sources have confirmed that under this programme there will be a real shift in the way EU funds are allocated.

While certain global initiatives – such as the Global Fund to Fight AIDS, Malaria and Tuberculosis (GFATM), the GAVI Alliance and the Global Partnership for Education (GPE) – will continue to receive funding, the major innovation of the GPGC will be its approach to identifying potential grantees and partners. First, the Commission will identify a challenge relating to a "global public good" – under the five thematic areas listed above – and will only then decide on the right mix of aid modalities to address it at a transnational level (cooperation with international organisations, partner governments or regions, local or international CSOs, etc.). Unless the Commission proposes a good mix of aid modalities which can be used to fund local civil society as well as international NGOs, there is a serious risk that this new form of cooperation will lead to less involvement by civil society actors in the implementation of the GPGC-programme.

Moreover, in line with the MFF's overall financing objective of channelling 20% of the overall EU budget into climate action, it is envisaged that, in total, no less than 50% of the GPGC programme will be spent on climate change and environmental objectives (including the proposed 32% that are specifically earmarked for the sector), and also, in particular, on sustainable energy activities as well as food security and sustainable agriculture. In addition, the draft regulation also stresses that at least 20% of the funding for GPGC programmes should be spent on social inclusion and human development, in line with the Agenda for Change's overall commitment to spend 20% of all of EU aid on activities relating to those issues.

The definition of human development as set out in the GPGC Programme currently includes growth, jobs and private sector engagement. While these are crucial, they do not form part of human development, as defined by the UN.[85] The EP's negotiating position goes in the same direction and proposes to make this benchmark more specific, to support health and basic education with annual reporting,[86] and at the same time to apply it across all DCI programmes, geographic and thematic.

Gender equality and women's empowerment are listed as one area in the GPGC programme, with a specific focus on women's economic and social empowerment and political participation. The programme also mentions maternal health and sexual and reproductive health and rights, and access to family planning in the area of health,[87] and in the area of education the importance of ensuring equal access to high-quality education for women and girls is also highlighted. This is very encouraging, although as we have not yet seen the detailed draft of the programme we do not know to what extent these elements will be included. Also, there is no indication that any funds will be earmarked for this work.

Human rights, on the other hand, are not recognised as a proposed area of activity under the GPGC programme. This is worrying, as although the GPGC is intended to complement the EIDHR, the promotion of human rights must not be limited to the EIDHR, and a human rights-based approach must be mainstreamed in all EU policies and programmes.

Pan-African Programme

The proposed DCI regulation envisages that the newly created Pan-African Programme will support the implementation of the Joint-Africa EU Strategy and its successive action plans, covering a wide range of issues from peace and security, trade and regional integration to the MDGs and democratic governance and human rights. In particular, financial support will focus on cross-regional, continental or global activities, as well as on joint Africa-EU initiatives in the global arena.[88] It is furthermore specified that the multiannual indicative programme should be based on the reviewed JAES and its three-year plan of action which will be adopted at the EU-Africa Summit of April 2014.

2(C) DCI GEOGRAPHICAL PROGRAMMES

In line with the relevant provisions in the Agenda for Change and the CIR proposal, the draft DCI regulation anticipates that within each country programme the EU will "in principle concentrate its assistance on three sectors".[89] The proposed regulation specifies that sectoral priorities will be in line with the policy pillars laid down in the Agenda for Change, namely "human rights, democracy and good governance" on the one hand, and "inclusive and sustainable growth for human development" on the other. In addition, three other areas that the Commission regards as significant in order to ensure policy coherence for development are listed: climate change and environment; migration and asylum; and transition from humanitarian aid and crisis response to long-term development cooperation.[90]

2D IMPLEMENTATION OF EU POLICIES AND COMMITMENTS IN THE PROPOSED DCI

As has been demonstrated above, the proposed DCI regulation to a large extent implements the new principles of the Agenda for Change. With regard to the EU's financing for development commitments, the future DCI will contribute considerably to the 90% "ODA DAC-ability" benchmark established by the European Council (and thus to the EU-wide 0.7% ODA/GNI target), as it is proposed that 100% of its geographical programmes and at least 90% of its thematic and pan-African programmes will need to meet the OECD DAC's criteria for overseas development assistance.[91] The European Parliament's negotiating position proposed to go further, and to require at least 95% of the thematic and pan-African programmes to be ODA-eligible.[92]

The EU's inclination to leverage more additional public and private resources and capacity through blending mechanisms under the MFF had already been reflected in the 2012 Commission communication on financing for development. Draft provisions in the CIR and DCI now include more of these so-called innovative financing mechanisms, and will enable the Commission to include them in the future too. According to CONCORD sources involved in the programming, the grants used in blending mechanisms could potentially amount to as much as €17.5 bn, taking the next EDF, DCI and ENI together (representing some 30% of the total indicative allocations, and leveraging up to €200 bn in total project funds).

From the very general provisions included in the proposed DCI regulation it is unclear, however, how the Commission plans to introduce the safeguards necessary for taking sustainable development and poverty reduction outcomes into account, to achieve consistency with international aid effectiveness principles, debt sustainability, the creation of decent work, and social and environmental externalities.[93]

Development effectiveness

In line with the EU's international commitments in Busan (reflected in the Agenda for Change) and successive Council conclusions on development effectiveness, the future DCI strives to achieve better harmonisation, greater complementarity and increased EU coordination – notably through increased flexibility and a greater use of joint programming. Moreover, the increased alignment with partner countries' existing and future development strategies and own programming cycles may well allow for increased effectiveness of bilateral cooperation. As the EU is changing how it programmes its aid, however, it will be important to create an enabling environment for civil society and build its capacity to engage even more in the development of national poverty plans and donor coordination frameworks via all DCI programmes (thematic, national and regional).

Africa-EU relations

The Commission proposal to establish a new pan-African programme under the DCI demonstrates that it remains committed to the Africa-EU partnership, and to the Joint Africa-EU Strategy (JAES) and its implementation – especially in view of the upcoming summit due to be hosted in Brussels in 2014. The Pan-African Programme is also an attempt to address the recurring criticism that the JAES suffers from a lack of funding and financial commitment from its partners.[94] While further details about its implementation, sectoral priorities and aid modalities will not be specified until the forthcoming proposal for its MIP, the draft DCI's regulation already refers to the ambition of the JAES to "treat Africa as one", and would make it possible to cover both North and sub-Saharan Africa using one single instrument.[95]

Post-2015 framework

The complete absence of the changing post-2015 global framework from the DCI regulation represents a significant delinking from the international processes the EU is engaged in. The European Parliament, however, proposes to introduce relevant language, in particular to ensure that EU policy will be guided after 2015 by "any internationally agreed new development targets which modify or replace the MDGs"[96] and that priorities for the DCI's geographical programmes will be established in accordance with "the MDGs and post-2015 internationally agreed new development targets which modify or replace the MDGs".[97]

RECOMMENDATIONS

- The Commission and EEAS need to engage in a country dialogue, including with local civil society, to identify tailor-made alternatives for those countries that will no longer benefit from DCI bilateral funding and to decide jointly on the best phasing-out approach, including with other donors present in the country. It is important to recognise that there are still large areas of inequality in these partner countries, and still commitments to achieve the MDGs. Moreover, the issue of differentiation must be closely coordinated with EU Member States' strategies in order to prevent "orphan countries" among Europe's partners in development cooperation.

- The Commission needs to ensure an appropriate mix of funding modalities, including calls for proposals, which must be accessible to a broad range of local and international civil society actors under the new GPGC, the pan-African programme and the CSO-LA programme, in addition to the regional and country programmes.

- Funding under the DCI must be as "ODA DAC-able" as possible in order to meet the EU's financing for development commitments. Geographical programmes should be 100% ODA DAC-able, while the Parliament's proposal for 95% of the thematic and pan-African programmes should be taken on board during the remainder of the DCI negotiations and should be closely monitored annually.

- Concrete actions reflecting the EU's commitments on civil society, based on the 2012 Commission communication and the 2011 final statement of the Structured Dialogue, must be implemented in the DCI over the next seven years. They should include specific recognition of, and action to address, the problem of lack of political space for civil society.

- When programming and implementing all its external instruments (including the DCI and the EDF), the EU must live up to its own commitments in the EU Plan of Action on Gender by using the indicators in the operational framework – aiming to ensure that gender is mainstreamed in EU funded projects, but also addressed as a separate goal with its own financing and indicators. Specific benchmarks set out in the EU Plan of Action on Gender, which must be reflected in all development instruments, are: at least 75% of all projects/programmes should score G-2 (gender as a principal objective) or G-1 (gender as a significant objective); and at least 50% of Multiannual Indicative Programmes should identify gender equality-related actions. The EU must also implement its own guidelines on violence against women and girls, by prioritising actions to combat violence and all forms of discrimination against women and girls.

- All programmes in the DCI, including the thematic programmes and the Pan-African Programme, must be designed and implemented in accordance with the principles set out in the UN Common Understanding on a Human Rights-Based Approach to Development. While the GPGC and CSO-LA programmes are to be complemented by the EIDHR and other thematic programmes, the promotion of human rights must not be limited to the EIDHR.
- The EU must earmark at least 20% of the DCI for health and basic education. To ensure the achievement of the MDGs and a maximum level of human development, this should include sexual and reproductive health and rights, in line with the Programme of Action adopted at the International Conference on Population and Development in Cairo (1994), high-quality basic education and equal access to education.
- The DCI's Pan-African Programme should be developed in an inclusive consultation process involving civil society, the African Union and other African stakeholders, and it should support priorities to be agreed jointly by EU and African partners within the framework of the JAES. It should moreover include a specific funding envelope to support the activities of civil society organisations on both continents.
- While respecting partner countries' ownership and national priorities, in line with the aid effectiveness agenda the Union should also promote common values by highlighting the importance of focusing on the sectors where EU assistance can have the greatest impact. These common values include human rights and gender equality and the empowerment of girls and women, as stated in the European Consensus on Development and the Cotonou agreement.[98]
- All future funding streams and programming must be able to reflect the likely outcomes of post-2015 negotiations, and while these cannot be fully predicted now, the issues that are likely to be covered are clear. Flexibility will be needed to adjust to the new ideas and agreements on how best to address issues of equality, inclusive growth, the multidimensional nature of poverty, and so on.
- Before developing further blending mechanisms, the EU needs to ensure that sustainable development, poverty reduction outcomes and policy coherence for development are the main focus, that transparency and accountability mechanisms are reinforced, and that CSOs are involved and consulted accordingly.
- The EU needs to take on a leading role in the new Global Partnership for Effective Development Cooperation and its Busan Monitoring Framework in order to translate rhetoric into reality and ensure that the global community delivers on the international development commitments it has made.

3. The European Development Fund

The EDF has financed development cooperation between the EU and the Group of African, Caribbean and Pacific (ACP) States for more than 40 years. The principles of ACP-EU cooperation are enshrined in the ACP-EU Partnership Agreement, covering the period 2000-2020, which is commonly referred to as the "Cotonou Agreement". The intention to "budgetise" the 11th EDF under the next MFF, starting in 2021 (and coinciding with the end of Cotonou), is clearly reflected in both the European Council conclusions of February 2013 and the draft Interinstitutional Agreement.[99] In order to pave the way for that transition, the EDF contribution key has been further aligned with the contribution by Member States to the general EU budget, the guidelines for programming are aligned, and the draft IIA envisages that EP scrutiny of the EDF will be "aligned on a voluntary basis to the scrutiny rights that exist under the EU general budget, specifically the Development Cooperation Instrument".[100]

The EDF is managed by the European Commission separately from the EU budget, on behalf of the EU Member States. In fact, the 11th EDF spending period has for the first time been aligned to the seven-year MFF cycle (all previous EDFs had covered shorter, five- to six-year periods). So, even though the Commission's first proposal for the 11th EDF (2014-2020)[101] was published along with the DCI and the other external spending instruments, its negotiating process is inherently different from that for the EU budget.

Following the European Council conclusions, which included an agreement between EU leaders that overall spending levels for the 2014-2020 EDF would be fixed at €30.5 bn (in current prices), in May 2013 the Council adopted its official legislative position, which broadly outlined the financing under the 11th EDF.[102] This position was subsequently adopted, at the joint ACP-EU Council of Ministers in June 2013, as a new financial protocol to the Cotonou Agreement which would therefore guide its implementation for the following seven years. The envelopes for 11th EDF financial will be structured as follows:[103]

Table 3_**Breakdown of 11th EDF finances (in current prices)**

Total ACP States	€29,089 m
• National and regional indicative programmes	€24,365 m
• Intra-ACP Funds	€3,590 m
• Investment Facility	€1,134 m
Total overseas countries and territories (OCT)	€364 m
Commission support expenditure	€1,052 m
Total 11th EDF	**€30,506 m**
Loans from European Investment Bank (EIB) own resources	€2,500 m

The implementation of the 11th EDF will be governed by a series of legal and programming documents. First, with the EU's "internal agreement", Member States officially created the 11th EDF in May 2013[104] and agreed on its overall provisions, its structure and the contribution key defining the share of financing for each EU donor. The internal agreement will now have to be ratified by all 28 Member States – a process that can take up to two years. Secondly, the Commission is required to propose a draft "implementing regulation" and a draft "financing regulation" which subsequently need to be adopted by the Council of the EU. The European Parliament has no official role in adopting the EDF's legal documents. At the time of writing, only the proposal for the implementing regulation for the 11th EDF had been published.[105]

3A 11TH EDF INTERNAL AGREEMENT AND PROPOSED IMPLEMENTING REGULATION

One of the challenges during the design and implementation of EDF programmes will be for the EU institutions to reconcile the application of their new policy commitments with the special partnership spirit of the Cotonou Agreement – namely, its recognition of the ACP partners' right to determine their development strategies in "all sovereignty" and of the essential role of non-state actors in the development process of ACP countries.[106]

Country differentiation – one of the main innovations in the DCI's geographical programmes – is not applied in the same way to the EDF. While opinions differ as to whether the Cotonou Agreement would provide a sound legal basis for applying differentiation in accordance with the same criteria as the DCI,[107] any application must always take into account the special spirit of the ACP-EU partnership.[108]

Instead, the proposed EDF implementing regulation provides for a differentiated approach in determining volumes of EU assistance channelled through bilateral programmes. While referencing the criteria for resource allocations defined in the Cotonou Agreement, the draft regulation also lists criteria included in the Agenda for Change, as indicated in table 4.

Table 4_**Criteria for resource allocations for ACP partners**

Cotonou Agreement[109]	Agenda for Change[110]
- Needs (based on per capita income, population size, social indicators, level of indebtedness, vulnerability to exogenous shocks) - Performance (based inter alia on governance, progress towards the MDGs, macroeconomic and policy performance, sustainable development measures) Special treatment shall be accorded to: LDCs, vulnerable countries and those affected by conflict or natural disasters	- Needs - Capacity to generate and access financial resources and absorption capacity - Commitments and performance - Potential impact of EU assistance Priority shall be given to: LDCs, LICs, crisis, post-crisis, fragile and vulnerable countries

The 11th EDF will also include provisions to ensure more flexibility and simplification, the major difference between it and the new DCI being that, under the EDF, the partner country or region concerned needs to give its consent to the abolition of a CSP/RIP. Moreover, a CSP will not be required in cases where the EU synchronises its programming with a national strategy cycle starting before 2017, as the multiannual indicative programme for the transition period up until then would simply contain the EU's priorities.[111] It is important for joint programming to involve CSO consultations in a comprehensive way.

For unexpected events with a distinctive regional dimension, the EDF's regional envelopes will include unallocated funds, and it is moreover planned to set up a "shock-absorbing scheme" to help ACP countries mitigate the short term-effects of exogenous shocks.[112] The EDF's internal agreement further envisages that it will be able to mobilise resources from the geographical and intra-ACP programmes for unforeseen needs, in particular for "complementary short-term humanitarian relief and emergency assistance, where such support cannot be financed from the Union budget".[113]

The EU's efforts to involve the private sector more in development cooperation are mirrored in the proposed EDF implementing regulation by the inclusion of language very similar to that proposed under the DCI regulation, including on the use of blending grants and loans and other risk-sharing mechanisms.It should be noted that ACP-EU cooperation already features a distinctive element of private-sector collaboration, as the operations of the European Investment Bank (EIB) in ACP countries have been governed since 2003 by the Cotonou Agreement with the establishment of the "Investment Facility".[114]

Next to ACP grants managed by the Commission, a share of EDF finances is managed by the EIB under this Facility, matched by up to an additional €1.7 bn in the form of loans granted by the EIB's "own resources" (in current prices). The Investment Facility provides venture capital, loans, guarantees and interest subsidies for ACP operations, with the aim of supporting economic development in the ACP regions via investment in the private sector under market conditions. The 11th EDF continues with this model, and has earmarked €1.1 bn in current prices (3.7%, down from 6.6% under the 10th EDF) for the Investment Facility for 2014-2020, with an additional €2.5 bn in potential EIB loans. The new feature of all EU aid for 2014-2020, however, is the idea of leveraging more private-sector funding, rather than using public EIB financing to support the private sector via public procurement, altough the draft EDF implementing regulation lacks provisions that would define how the EU institutions are planning to take this forward in the future.

The bulk of the funding under the 11th EDF (€24.4 bn in current prices, or 80%) is allocated to its geographical programmes, i.e., the national programmes with ACP states and the regional programmes covering regional and interregional cooperation and the integration of ACP States. Like the draft DCI regulation, the draft EDF implementing regulation provides that its bilateral assistance should be concentrated on a maximum of three sectors,[115] in line with the Agenda for Change. No indicative list of cooperation areas for bilateral programmes (as under the DCI) is included, however – this is likely to be attributed to the special provisions of the Cotonou Agreement.

Under the 11th EDF, €3.6 bn in current prices (11.8%) have been earmarked to finance "intra-ACP and inter-regional cooperation involving many or all of the ACP States".[116] The draft implementing regulation envisages that the intra-ACP envelope will continue to be subject to joint programming between the European Commission and the ACP, resulting in a strategy paper and a multiannual indicative programme, as stated in the Cotonou Agreement.

Lastly, as the lengthy process of ratifying the Internal Agreement could lead to a gap in the funds available between the official ending of the 10th EDF in 2013 and the actual entry into force of the 11th EDF, the proposed implementing regulation provides for the establishment of a new "bridging facility" that would make it possible to finance certain ACP programmes by tapping into funds unused by previous EDFs. While the Commission considers that these funds should be accounted as an advance on the 11th EDF, in June 2013 ACP partners requested that they should instead be additional to the agreed €30.5 bn (in current prices).[117]

There are concerns that this "frontloading" could limit the overall amount of the 11th EDF, and would therefore not allow the EU or ACP to meet the challenges ahead in terms of sustainable development or poverty eradication. At the time of writing, no further details were available on the state of the negotiations on the bridging facility.

3B IMPLEMENTATION OF EU POLICIES AND COMMITMENTS IN THE PROPOSED 11TH EDF

The EU attempted to harmonise the legal EDF documents as far as possible with the proposed CIR and DCI while taking the particular features of the ACP-EU partnership into account. The proposed implementing regulation is a much more of a technical document, focusing mostly on greater flexibility and increased development effectiveness, while the proposed DCI regulation goes beyond that and implements the Agenda for Change – and in particular its political and sectoral priorities – to a far greater degree. While the DCI and EDF programming process described below may have been standardised to a certain extent, we can already see (in the legal documents) that there is an inherent cultural difference between the two instruments: the EDF needs to reflect the spirit of the Cotonou Partnership Agreement, including dialogue with civil society and interests shared between partners, whereas in the DCI's culture the "EU interests and priorities are defined prior to engaging in dialogue with partners in development cooperation".[118]

The draft implementing regulation provides that EDF "[p]rogramming shall be designed so as to fulfil to the greatest extent possible the criteria for official development assistance".[119] With the exception of some EDF-supported programmes – such as the African Peace Facility, which contains a share of non-ODA funds – it will therefore contribute significantly to the European Council's 90% benchmark for the ODA DAC-ability of EU external spending.

Furthermore, while respecting the Cotonou spirit of partnership, the draft implementing regulation states that the EDF should as far as possible contribute to the overall MFF objective of supporting climate action objectives with at least 20% of the EU budget. Neither the internal agreement nor the draft implementing regulation contains any reference to the Agenda for Change's 20% benchmark for human development, despite the fact that the EDF is by far the biggest of the EU's aid instruments.

With regard to the integration of the EDF into the global policy framework for poverty eradication, the draft implementing regulation states that the achievement of the EDF objectives shall be measured using relevant indicators, notably the MDGs and, after 2015, "other indicators agreed at international level by the Union and its Member States".[120] As the draft regulation was proposed in June 2013 – 18 months after the DCI proposal – it takes the EU's engagement at international level into account more, and it reflects its commitment to the post-2015 sustainable development framework.

The Cotonou Agreement contains clear commitments to human rights, gender equality and women's empowerment, including sexual and reproductive health and rights and tackling gender-based violence. It states that "systematic account shall be taken of the situation of women and gender issues in all areas – political, economic and social".[121]

It is also provided that "[s]ystematic account shall be taken in mainstreaming into all areas of cooperation the following thematic or cross-cutting themes: human rights, gender issues (…)".[122]

It is therefore disappointing to find that there is no commitment to or clarification of the importance of human rights and gender equality, or girls' and women's empowerment, in the available documents relating to the implementation and programming of the 11th EDF.

RECOMMENDATIONS

Given that EU development aid can have a decisive impact by supporting reforms aimed at reducing inequalities in MICs, the "differentiation in volume" approach must be implemented in consultation with civil society organisations to ensure that the poorest people in the ACP's MICs are not left behind, and that both the DCI's thematic programmes and the EDF CSO envelopes will attempt to fill the gap.

The Commission needs to clarify in more detail how private-sector involvement will work in the future, inter alia via an official communication, before the implementation phase begins.

Before scaling up aid to be blended with loans, and before continuing to promote public-private blending facilities, the Commission should further evaluate these mechanisms – through dialogue with partner countries and their populations – in terms of sustainable development and poverty reduction outcomes, debt sustainability, the creation of decent work, social and environmental externalities and aid effectiveness. They should ensure that opportunity costs (meaning the lost opportunity to do something else with the money) have been carefully examined, and that partner countries take part in the governance of these mechanisms and in making decisions on their general framing and orientation. It should moreover be ensured that support for the private sector is focused primarily on local private-sector enterprises.

The EU must take the particular situation of fragile states into account, as when a state fails the human consequences are devastating and cancel out the progress made in development. The cost of re-establishing the rule of law in a failed state is far higher than that of providing additional support for states identified as fragile. Special attention should therefore be given under the 11th EDF to the Sahel region and the Horn of Africa.

RECOMMENDATIONS

- As the EU's main funding instrument, the EDF must contribute significantly to the 20% benchmark for health and basic education, as proposed by the EP, which should be enshrined in the forthcoming legal documents guiding the implementation of the 11th EDF. To ensure the achievement of the MDGs and a maximum level of human development, this should include sexual and reproductive health and rights, in line with the Programme of Action adopted at the International Conference on Population and Development in Cairo (1994).

- When taking a more flexible approach to programming, the EU – in accordance with the Cotonou Agreement – must ensure the recognition of civil society as important actors in development. In practice, this will mean that EU delegations and any Member States present locally must ensure that joint programming exercises, and EDF implementation and evaluation processes, are transparent and include local CSOs. Considering the important role of women in nutrition and food security, and the proven competence of women in resolving conflicts, the Commission should increase the role of women in action groups and working parties.

- For the continuing negotiations and cooperation under the 11th EDF, human rights and gender issues should be systematically mainstreamed and prioritised in all areas. A true human rights-based approach to development must be adopted in the programming of the 11th EDF, while ensuring that the essential elements of the Cotonou Agreement and the EU Action Plan on Gender are respected and that the EU guidelines on violence against women and girls, and combating all forms of discrimination against them, are followed.

- The legal documents that will guide the implementation of the 11th EDF must allow sufficient flexibility to adapt to the commitments that both EU Member States and partner governments will be making in the context of the post-2015 framework negotiations.

- The Commission should further clarify the proposed "bridging clause". Any funding provided during this transitional period should not lead to a decrease in total ACP funding available under the previous and future EDFs combined.

4. DCI and EDF geographical programming

The programming process is divided into two phases, and involves close collaboration between the Commission, the EEAS and EU delegations.[123] The first phase began in May 2012 when EU delegations in EDF and DCI countries received programming instructions from EU headquarters, and initially focused on determining whether or not a national development plan could be used as a basis for the future MIP.

This is the first time that the EU harmonises its programming process and timeframe for both the DCI and EDF. Secondly, at the end of the first programming phase, EU delegations needed to submit a proposal for future priority sectors for EU assistance, taking into account the Agenda for Change principle of sector concentration. This proposal could also take the form of a joint programming document. Consultations with governments, national parliaments and civil society as well as EU Member States and other donors were supposed to be integral to the process of designing the EU delegations' proposals. Subsequently, EU headquarters would assess the proposals and finalise the selection of priority sectors in line with the EU's overall external action priorities.

The second phase of programming, aimed at finalising the MIPs, could not be officially launched in ACP countries until after the Council agreement on the EDF in May 2013, while the DCI programming exercise continued in a more informal way as no formal institutional agreement had been reached on the overall MFF or on the DCI regulation. EU delegations in ACP countries received specific instructions for the second phase, including indicative allocations for their countries, the aim being that they would be able to submit draft proposals for EDF bilateral assistance in the shape of multiannual indicative programmes by the end of November 2013.[124] The MIPs would then be approved by EU Member States and the European Commission. Especially in view of the European Parliament's involvement, the final stages of the DCI programming process might differ from the EDF in the end, depending on the outcome of the ongoing negotiations. In DCI countries, meanwhile, EU delegations have been instructed to go ahead with informal consultations at a technical level,[125] so as to be in a position to finalise the MIPs quickly once there is an overall agreement in Brussels. In addition, the EU delegations have been asked to provide input regarding their priorities for the CSO-LA thematic programme along with the draft MIP.

The programming instructions to EU delegations not only describe how the process should be organised, but also set out how the Agenda for Change principles (ownership; comprehensiveness and coherence; synchronisation and flexibility; differentiation; sector concentration; blending; coordination and joint programming) are to be translated into practice.

While no specific reference was made to the Agenda for Change priority sectors in the draft EDF implementing regulation, they are included here, and it thus becomes clear that EU delegations in ACP countries are instructed to give priority to issues dealt with under the two pillars of the new EU policy just as much as their colleagues in DCI countries – after consulting the partner country. However, several other exceptions were made for ACP countries in the programming instructions, in order to reflect the particular nature of the Cotonou Agreement:[126]

- A CSP/RSP may still be prepared if no agreement can be reached with the ACP partner on using the national/regional development plan as an alternative basis for the MIP;
- On top of the maximum of three sectors at country level, in ACP countries a specific additional allocation may be provided for, to support CSOs and LAs;
- In particular in situations of fragility, a specific B-allocation to meet unforeseen needs may be provided for in the MIP of ACP countries.

4A IMPLEMENTATION OF EU POLICIES AND COMMITMENTS IN DCI AND EDF PROGRAMMING

While the principle of ownership is referenced throughout the programming instructions, and is reflected in the new practice of aligning EU programmes with national development strategies and cycles, a recent CONCORD survey[127] of civil society organisations in 58 EU partner countries (53 of them in countries covered by the DCI and EDF) found that EU delegations are more inclined to apply "government ownership" than genuine "country ownership". The survey also showed that, overall, during the first programming phase the CSO consultation process was not sufficiently inclusive. In general, consultation meetings were organised at too short notice, without the timely provision of relevant information, and without the accompanying capacity-building that would enable local CSOs to participate in a meaningful way.

Furthermore, it has been observed that the principle of sector concentration has proven to be problematic with regard to the principles of ownership and alignment, and concerns have been raised that it was "enforced through a prescriptive interpretation of the Agenda for Change, particularly as regards concentrating EU aid on sectors identified as a priority by the Commissioner for Development, not partner governments".[128] The priorities can often be seen as European priorities, chosen unilaterally rather than on the basis of close political dialogue with the ACP countries. Since democratic ownership is one of the basic principles underpinning aid effectiveness, political dialogue is crucial, and greater flexibility is needed in determining priority sectors for cooperation.

Even though the final list of priority sectors by partner country is not available at the time of writing, it has been observed that the more traditional sectors of EU development cooperation, such as health and education, or transport and infrastructure, may have been chosen less often as a (preliminary) focal sector than in the past, in favour of some of the Agenda for Change priorities such as agriculture, energy or governance and the rule of law.[129]

HOW DO SECTOR PRIORITIES REFLECT THE AGENDA FOR CHANGE IN CENTRAL AMERICA?

In Central America, for example, regional and country priorities for the new period reflect the shift of sectors and their realignment with the Agenda for Change. Indeed, priorities relating to economic growth, climate change and governance are the ones most frequently chosen in these countries, as we can see below. Social cohesion and human security – two of the regional priorities in the previous period, in line with the outcome documents of the EU-LAC summits – have disappeared.

Table 5_**Priority sectors in Central America, 2007-2013 and 2014-2020**[130]

	Priority sectors 2007-2013	Priority sectors 2014-2020
Regional priorities for Central America (Guatemala, El Salvador, Nicaragua, Honduras, Panama and Costa Rica)	1. Strengthening the institutional system for regional integration 2. Economic integration process 3. Regional governance and security	1. Regional economic integration 2. Security and the rule of law 3. Disaster management and the fight against climate
Nicaragua	1. Good governance and democracy 2. Education 3. Economic and trade issues	1. Economic and trade development 2. Education 3. Adaptation to climate change
Guatemala	1. Social cohesion and human security 2. Economic growth and trade + Non focal sector: regional integration[131]	1. Food security 2. Violence and conflict prevention 3. Competitiveness
El Salvador	1. Social cohesion and human security 2. Economic growth, regional integration and trade	1. Social services for young people 2. Private sector development 3. Climate change

With regard to increased flexibility and donor harmonisation, CONCORD sources have confirmed that the majority of the EU's partner countries have opted for the abolition of the CSP concept. According to internal documents, moreover, EU joint programming will take place in around 40 countries, including 25 EDF and 12 DCI countries. While two joint programming processes are already ongoing (owing to the special circumstances in Haiti and South Sudan), more countries will follow in 2013/2014 or later, in alignment with the partner country's cycle. In these cases the programming instructions provide for a prolongation of existing bilateral programmes, whereas if it is only the EU institutions that are aligning their MIP to the national cycle they will either prepare an interim programming document as a temporary bridging solution or, in cases where the cycle does not start until 2017 or later, a full separate programming document will be prepared.

It is moreover provided in the instructions that the 20% benchmark of EU aid for supporting human development and social inclusion should be borne in mind during the programming process, and that the achievement of this target should be monitored during both programming and implementation. The provision on the 20% target for climate action goes even further, as it explicitly states that programming can contribute to achieving this target through "one or more of the chosen sectors".[132] In addition, it is provided that future reporting by the EU delegations should be linked to the Agenda for Change priority areas, and should include tracking the human development and climate action targets, notably through the work (already initiated) of using a common results framework.

The EEAS and EC fall short of giving specific instructions, however, on prioritising human rights and gender equality and girls' and women's empowerment. With no specific recommendations made, there is a risk that human rights and gender equality, and girls' and women's empowerment, will not be prioritised in either the programming phase or the subsequent implementation of geographical programmes.

RECOMMENDATIONS

- The decision to align EU MIPs and joint programming documents with national development plans must make it a condition that CSOs are involved in the drafting of such documents. There is therefore a strong role for both the EU institutions and EU CSOs in ensuring that the commitments of the European Consensus, the Cotonou Agreement and the EU's CSO-LA communication are implemented throughout all programmes.

- Funding under the additional CSO-LA focal sector in EU-ACP bilateral cooperation should be used to build the capacity of local actors to engage better in EU programming processes in the future, and also to encourage CSOs to dialogue with their own governments, as part of promoting ownership. EU delegations and civil society should work more closely together to set up an ongoing dialogue framework and meaningful feedback mechanisms, especially in view of the enhanced flexibility during 2014-2020 programming phase.

- The data collected by EU delegations with regard to the climate action, health and basic education benchmarks (in line with the EP DCI position) should be made publicly available, inter alia by including it in the Commission's annual reports on financing for development and on its development cooperation activities.

- The EU institutions should make use of the gender auditing of the Commission's programmes, planned for 2014, to ensure that future programmes will be implemented in accordance with the Plan of Action on GEWE in Development Cooperation. Furthermore, while respecting partner countries' ownership and national priorities, the EU should promote common values by highlighting the importance of focusing on the sectors where EU assistance can have the greatest impact. As stated in the European Consensus on Development, these common values include human rights, gender equality, and building CSO capacity to empower citizens' voices within development cooperation.

- Similarly, the EU must allow sufficient flexibility in its funding and programming to be able to adapt to the commitments that both EU Member States and partner governments will make in the context of the post-2015 framework negotiations, and to adopt any innovative ideas that may emerge from consultations and negotiations on any issue relating to the framework.

5. SWOT Analysis of the new EU Development Cooperation Framework

While we are in the final stages of the negotiations on the 2014-2020 MFF, its development assistance instruments and programmes, the programming process could still continue for another six to nine months. The future EU development cooperation framework is therefore not yet complete, and many questions about the implementation of EU policies and international commitments – as well as the impact of the economic crisis and the post-Lisbon environment – cannot yet be fully answered. Nevertheless, the documents and processes analysed in this publication, on both the political and technical levels, paint an initial picture of what EU assistance between now and 2020 may look like (see Table 6).

Table 6_**SWOT Analysis of the new EU Development Cooperation Framework**

Strength (S)	Weakness (W)
- Clear commitment to the MDGs and the EU's 0.7% GNI target - 90% benchmark for ODA "DAC-ability" of external spending according to the present DAC definition - Simplification via CIR + "Global Europe" communication - Alignment with national development plans and cycles - Increased flexibility to react to unforeseen needs - Slightly strengthened CSO-LA programme + additional CSO-LA focal sector in ACP countries - Reporting requirements outlined in programming guidelines (incl. benchmarks)	- Insufficient funding to cover EU budget's share of 0.7% ODA/GNI target - PCD not applied to all of MFF - No link to post-2015 process - Unclear criteria for private-sector engagement - No clear alternatives for cooperation with MICs regarding (still high) levels of inequality - Insufficient meaningful CSO involvement during programming, apart from CSO-LA programme - HRBA not reflected throughout framework, despite Agenda for Change focus - 20% benchmark for health and basic education (as proposed by EP) not reflected throughout framework, while climate action benchmark often is - EU's own Gender Action Plan and the "EU guidelines on violence against women and girls and combating all forms of discrimination against them" ignored - No clear understanding of the meaning of "human development", which will lead to watering down - Impression of "imposed" sector prioritisation during programming

Opportunities (O)	Threats (T)
- Potentially increased EP role (incl. EDF) - More flexible programming at all levels, MFF review by 2016 - CSO-LA programme to contribute to enabling environment for CSOs - Joint programming in 40 countries - More flexibility for using unallocated funds - Renewed commitment at 2014 Africa-EU summit (Pan-African Programme) - GPGC could increase EU impact in key thematic areas	- Continuing austerity climate - Potentially increased number of extreme-right MEPs in new EP with increased powers - Potential institutional power games – delays in implementation if no adequate legal measures are in place - Agenda for Change shift to heavily focus aid allocations on the basis of a country's economic growth - EDF transition/alignment with EU budget could lead to loss of Cotonou spirit - Increased flexibility via joint programming and alignment: shrinking space for CSOs - Blurry new approach of GPGC - Differentiation: leave behind orphan countries + poor MIC populations and negatively impact on the capacity of EU delegations in UMICs to engage - EDF bridging clause (if it were to lead to a reduction of combined EDF budgets) - Joint programming (if used as an excuse to reduce overall EU funding to a country) - Increased role of EEAS which sees development as a lesser tool in the overall foreign policy tool box[133] - ODA becoming less important as other forms of development finance – which do not have the same accountability and transparency mechanisms – are highlighted.

RECOMMENDATIONS

- The EU and its Member States need to stick to their financing for development targets, with a particular watchdog and awareness-raising role for CSOs and the European Parliament to ensure that development aid will not actually decrease in the course of the MFF. The EU institutions and the Member States must ensure that the 90% ODA DAC-ability target will be met, and they need to engage in international processes around the redefinition of ODA in order to prevent a further inflation of aid.
- CSOs must continue to play their important role in making the link between the EU political and policy levels and the reality for people living in developing countries. They should also engage further in multi-stakeholder dialogues during the implementation of EU programmes, in particular to debate jointly the use of new aid modalities and ensure that CSOs' views are taken into account by the EU institutions.
- As the GPGC programme may move away from supporting CSOs through dedicated calls for proposals as its primary aid modality, the EU needs to ensure that EU delegations have the capacity and expertise necessary for managing more CSO grants locally in the future, and for engaging with civil society, addressing thematic issues and linking grassroots initiatives to global processes.

CONCLUSION

While the real impact of the MFF, EDF and DCI documents will only become evident after they have been implemented for a few years, it is already clear that the Agenda for Change policy has been reflected at all the different levels and stages of the negotiations. Other international and EU commitments, notably with regard to human rights and gender equality, have been rather neglected, while there has been a strong focus on the implementation of the major EU development effectiveness principles agreed in 2011. It has also become evident that while on paper civil society continues to be recognised as an important actor, there is a risk that its space in future EU programming and funding will shrink, owing to increased flexibility in programming and a focus on tackling global issues rather than on the so-called “local problems” of marginalised populations.

It will therefore be important for the EU institutions to clarify their vision of future development cooperation before actual implementation begins, especially with regard to their declared focus on impact, economic growth, private-sector engagement, large-scale initiatives and “strategic partnerships” on the one hand, and the special role they are – in principle – granting to human rights, democracy, gender, sustainability, fragile and (post-)conflict states, as well as civil society and local authorities, on the other. The EU must move beyond its focus on income poverty in the implementation of the MFF: it must recognise the multidimensional nature of poverty and address all three pillars of sustainable development (social, economic and environmental). This will be particularly important if EU development assistance continues to be under threat owing to a European austerity climate and/or a shift in political realities in the new European Parliament, and in the context of the new, post-2015, sustainable development framework.

[1] European Commission (2009): Economic Crisis in Europe: Causes, Consequences and Responses. Available at: http://ec.europa.eu/economy_finance/publications/publication15887_en.pdf
[2] European Commission (2011): The European Semester: Taking stock. Presentation by J.M. Barroso, President of the European Commission, to the European Council of 23-24 June 2011. Available at: http://ec.europa.eu/commission_2010-2014/president/news/speeches-statements/pdf/20110623_1_en.pdf
[3] European Commission (2011): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A Budget for Europe 2020. 29 June 2011
[4] Janusz Lewandowski, Member of the European Commission Responsible for Financial Programming and Budget (2012): The Commission proposal for the financial framework 2014 - 2020 – too ambitious or too realistic? Introductory statement at the General Affairs Council Brussels, 27 January 2012
[5] Gotev, G. (2013): Piebalgs urges EU countries to fill the gap on development aid. Euractiv, 14 February 2013. Available at: http://www.euractiv.com/development-policy/eu-countries-asked-fill-gap-redu-news-517799
[6] Friends of Better Spending (2012): Nonpaper submitted by AT, DE, FI, FR, IT, NL, SE. Available at: http://www.europolitics.info/pdf/gratuit_en/313262-en.pdf; Friends of Cohesion (2012): JOINT Statement on the next Multiannual Financial Framework 2014-2020. Available at: http://www.gov.ro/sessions-of-the-friends-of-cohesion-group-conference-on-eu-multiannual-financial-framework-2014-2020__l2a117305.html
[7] Council of the European Union (2012): Note from Presidency to COREPER/Council. Subject: Multiannual Financial Framework (2014-2020) – Negotiating Box. 18 September 2012
[8] European Council (2012): European Council 28/29 June 2012 – Conclusions
[9] CONCORD Europe (2012): EU budget talks forgetting development and humanitarian aid. Available at: http://www.concordeurope.org/180-eu-budget-talks-forgetting-development-and-humanitarian-aid
[10] European Parliament (2012): European Parliament resolution of 23 October 2012 in the interests of achieving a positive outcome of the Multiannual Financial Framework 2014-2020 approval procedure, paragraph 33. Available at: http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2012-0360&language=EN
[11] European Council (2013): European Council 07/08 February – Conclusions
[12] Council of the European Union (2013): Summary of the European Council agreement. Available at: http://www.consilium.europa.eu/special-reports/mff/summary-of-the-european-council-agreement
[13] European Commission (2013): MFF State of Play. Presentation at the Policy Forum for Development. 18 June 2013 EC PFD presentation
[14] European Parliament (2013): EU budget 2014: despite pledges, Council seeks to cut growth and jobs spending. Available at: http://www.europarl.europa.eu/news/en/news-room/content/20130906IPR18861/html/EU-budget-2014-despite-pledges-Council-seeks-to-cut-growth-and-jobs-spending
[15] See Article 208 TFEU
[16] See Article 312-2 TFEU
[17] European Commission (2013): Extraordinary meeting on MFF: extracts from the statement by Alain Lamassoure (EPP, FR), Chair of the EP Committee on Budgets. Available at: http://ec.europa.eu/avservices/video/player.cfm?ref=94213
[18] Council of the European Union (2013): Note from Presidency to Delegations. Subject: Draft COUNCIL REGULATION laying down the multiannual financial framework for the years 2014-2020. 27 June 2013
[19] European Parliament (2013): EU budget: Parliament accepts negotiated MFF 2014-2020 package. Available at: http://www.europarl.europa.eu/news/en/news-room/content/20130701IPR14781/html/EU-budget-Parliament-accepts-negotiated-MFF-2014-2020-package
[20] Hewitt, G. (2013): Europe's far right surfs immigration wave. BBC News, 16 October 2013. Available at: http://www.bbc.co.uk/news/world-europe-24548419
[21] See Article 208 TFEU
[22] European Parliament, Council, Commission (2005): Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'
[23] European Commission (2011): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Increasing the impact of EU Development Policy: an Agenda for Change. 13 October 2011

[24] Council of the European Union (2012): Council conclusions 'Increasing the Impact of EU Development Policy: an Agenda for Change'. 14 May 2012
[25] Council of the European Union (2013): The Overarching Post-2015 Agenda – Council conclusions. 25 June 2013
[26] European Commission (2013): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A DECENT LIFE FOR ALL: Ending poverty and giving the world a sustainable future. 27 February 2013
[27] Busan Partnership for Effective Development Co-operation (2011): Outcome Document, Fourth High-Level Forum on Aid Effectiveness, Busan, Republic of South Korea. Available at: http://effectivecooperation.org/files/OUTCOME_DOCUMENT_-_FINAL_EN2.pdf
[28] Council of the European Union (2011): EU Common Position for the Fourth High-Level Forum on Aid Effectiveness
(Busan, 29 November - 1 December 2011) – Council conclusions. 14 November 2011
[29] Council of the European Union (2011): Operational Framework on Aid Effectiveness – Consolidated text. 11 January 2011
[30] European Commission (2013): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Beyond 2015: towards a comprehensive and integrated approach to financing poverty eradication and sustainable development. 16 July 2013
[31] European Commission (2012): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Improving EU support to developing countries in mobilising Financing for Development. 9 July 2012
[32] Council of the European Union (2013): Council Conclusions on the United Nations Framework Convention on Climate Change. 15 October 2013
[33] Council of the European Union (2005): Brussels European Council – 16 and 17 June 2005, Presidency Conclusions
[34] European Commission (2012): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations. 12 September 2012
[35] Structured Dialogue for an Efficient Partnership in Development (2011): Final Statement of the Structured Dialogue Budapest, 19 May 2011. Available at: https://webgate.ec.europa.eu/fpfis/mwikis/aidco/images/f/fb/Joint_Final_Statement_May_2011.pdf
[36] Council of the European Union (2012): EU Strategic Framework and Action Plan on Human Rights and Democracy. 25 June 2012
[37] Council of the European Union (2007): EU Guidelines for the Promotion and Protection of the Rights of the Child
[38] Commission of the European Communicities (2008): Commission Staff Working Document – The European Union's Action Plan on Children's Rights in External Action. 5 February 2008
[39] Commission of the European Communities (2007): Communication from the Commission to the Council and the European Parliament – Gender Equality and Women's Empowerment in Development Cooperation. 8 March 2007
[40] European Commission: Toolkit on mainstreaming gender equality in EC development cooperation. Available at: http://ec.europa.eu/europeaid/sp/gender-toolkit/index.htm
[41] Council of the European Union (2008): EU guidelines on violence against women and girls and combating all forms of discrimination against them
[42] The Cotonou Agreement. Signed in Cotonou on 23 June 2000. Revised in Luxembourg on 25 June 2005. Revised in Ouagadougou on 22 June 2010. Available at: http://ec.europa.eu/europeaid/where/acp/overview/documents/devco-cotonou-consol-europe-aid-2012_en.pdf
[43] The Africa-EU Strategic Partnership: A Joint Africa-EU Strategy, 2007. Available at: http://www.africa-eu-partnership.org/sites/default/files/documents/eas2007_joint_strategy_en.pdf
[44] Joint Africa-EU Strategy, Second Action Plan 2011-2013. Available at: http://www.europarl.europa.eu/meetdocs/2009_2014/documents/dpap/dv/jeas_action_plan_/jeas_action_plan_en.pdf

[45] European Commission (2011): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The future approach to EU budget support to third countries. 13 October 2011
[46] Council of the European Union (2012): Council conclusions 'Increasing the Impact of EU Development Policy: an Agenda for Change'. 14 May 2012
[47] European Council (2013): European Council 07/08 February – Conclusions, p. 38.
[48] *Ibid.* Emphasis added by author
[49] European Commission (2013): MFF State of Play. Presentation at the Policy Forum for Development. 18 June 2013
[50] European Council (2013): European Council 07/08 February – Conclusions, p. 38.
[51] European Commission and High Representative of the European Union for Foreign Affairs and Security Policy (2011): Joint Communication to the European Parliament and the Council – Global Europe: A New Approach to financing EU external action. 7 December 2011
[52] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing a Partnership Instrument for cooperation with third countries. 7 December 2011
[53] Adapted from European Commission (2011): The Multiannual Financial Framework: The Proposals on External Action Instruments. MEMO/11/878. 7 December 2011
[54] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council – establishing a financing instrument for the promotion of democracy and human rights worldwide. 7 December 2011, p.3
[55] Pending agreement on the current Commission DCI proposal of €17.4 bn. See European Commission (2013): MFF 2014-2020: List of programmes adjusted following the political compromise on the MFF. 16 July 2013
[56] European Commission and High Representative of the European Union for Foreign Affairs and Security Policy (2011): Joint Communication to the European Parliament and the Council – Global Europe: A New Approach to financing EU external action. 7 December 2011. See also Herrero A., Galeazzi G. and F. Krätke (2013): Early experiences in programming EU aid 2014-2020, European Centre for Development Policy Management
[57] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing commong rules and procedures for the implementation of the Union's instruments for external action. 7 December 2011
[58] Herrero A., Galeazzi G. and F. Krätke (2013), op. cit., p. 3
[59] Joint CSO demands for the Breakdown of Heading 4. Available at: http://www.concordeurope.org/230-joint-cso-demands-for-the-breakdown-of-heading-4#sthash.owZC9pEw.dpuf
[60] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 7 December 2011, Article 2
[61] Council of the European Union (2012): Proposals for external financing instruments under Heading 4 of the Multiannual Financial Framework 2014-2020 – Partial General Approach - Draft Regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 22 June 2012
[62] European Parliament (2012): European Parliament's negotiating position on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 18 September 2012
[63] Negotiations at EU level are held in the so-called "trilogue" process, which involves small designated teams of negotiators from the European Parliament and the Council, with the Commission playing a mediating role.
[64] For more information on European Union legal acts after the Lisbon Treaty, see: http://europa.eu/legislation_summaries/institutional_affairs/treaties/lisbon_treaty/ai0032_en.htm
[65] Owing to the lack of an institutional agreement on the future DCI regulation at the time of writing, this analysis is based on the European Commission's 2011 proposal, the negotiating positions of the European Parliament and the Council of the EU, and relevant CONCORD information about the status of negotiations at the end of October 2013.
[66] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 7 December 2011, Preamble 11

[67] European Commission (2011): The Multiannual Financial Framework: The Proposals on External Action Instruments. MEMO/11/878. 7 December 2011
[68] CONCORD Europe (2013): Differentiation: Recommendations for DCI trialogue negotiation teams. Available at: http://www.concordeurope.org/264-concord-s-views-on-differentiation-recommendations-for-dci-trialogue-negotiation-teams
[69] Institute of Development Studies (2010): Global Poverty and the 'New Bottom Billion': What if Three-Quarters of the World's Poor Live in Middle-Income Countries? Available at: http://www.ids.ac.uk/files/dmfile/Rs349.pdf
[70] The proposed criteria are: Union aid has a significant potential leverage; It provides an added value for addressing poverty and reducing inequality; Human Development Index: below 0.7; Poverty headcount ratio (based on daily per capita net income of USD 2 (PPP) (% of the population): above 10%; Poverty Gap Index (based on daily per capita net income of USD 2): above 4%; Income Gini Coefficient: above 45%. See European Parliament (2012): European Parliament's negotiating position on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 18 September 2012, Amendment 33
[71] European Commission (2011): Communication, Increasing the impact of EU Development Policy: an Agenda for Change. 13 October 2011 (op. cit.), p. 8
[72] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing common rules and procedures for the implementation of the Union's instruments for external action. 7 December 2011, Article 4
[73] *Ibid.*, Article 3
[74] European Parliament (2012): European Parliament's negotiating position on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 18 September 2012, Amendment 63
[75] *Ibid.*, Amendment 97
[76] The Pan-African Programme is not categorised as a "thematic programme" of the DCI, not least because of its specific geographical focus on the African continent. It is listed here, however, for reasons of comprehensiveness in presenting the future DCI's non-geographical (= country or regional) programmes
[77] European Parliament, Council, Commission (2005): Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'
[78] DG DEVCO and the EEAS have however agreed on a common framework for the thematic programmes and the other external instruments, in order to ensure consistency and coherence in programming. See European Commission (2013): Programming Aid Instruments 2014-2020. Presentation at the Policy Forum for Development, 18 June 2013
[79] Görtz, N. and N. Keijzer (2012): Reprogramming EU development cooperation for 2014-2020 – Key moments for partner countries, EU Delegations, member states and headquarters. European Centre for Development Policy Management
[80] European Commission (2013): Preparatory Document for the elaboration of the thematic programme 'Civil Society Organisations and Local Authorities' 2014-2020
[81] *Ibid.*, p. 4
[82] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 7 December 2011, Annex V
[83] European Commission (2013): Programming Aid Instruments 2014-2020. Presentation at the Policy Forum for Development, 18 June 2013
[84] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 7 December 2011, Annex VII
[85] UNDP defines human development as a process of enlarging people's choices and building human capabilities. Social progress, participation and freedom, sustainability and human security are considered as central issues to human development.
[86] European Parliament (2012): European Parliament's negotiating position on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 18 September 2012, Amendments 22 and 45.

[87] European Commission (2011): Proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 7 December 2011, Annex V
[88] *Ibid.*, Annex VI
[89] *Ibid.*, Article 5
[90] *Ibid.*, Annex IV
[91] *Ibid.*, Article 2
[92] European Parliament (2012): European Parliament's negotiating position on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 18 September 2012, Amendment 44
[93] See also CONCORD (2012): Background paper – Private Sector Special Event, 10 December 2012.
[94] Aggard-Clerx, F. and N. Tissi (2012): Can the Pan-African Programme revitalise the JAES? Background document for the informal meeting on the proposed Pan-African Programme for the financing of the Joint Africa EU-Strategy (JAES). European Centre for Development Policy Management http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/5437450FC5162E47C1257A28006C9E9C/$FILE/Briefing%20note%2042%20PAP-JAES%20last.pdf
[95] *Ibid.*,
[96] European Parliament (2012): European Parliament's negotiating position on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation. 18 September 2012, Amendment 39
[97] *Ibid.*, Amendment 45
[98] European Parliament, Council, Commission (2005): Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'
[99] Council of the European Union (2013): Draft Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, cooperation in budgetary matters and on sound financial management. 20 June 2013
[100] *Ibid.*, p. 17
[101] European Commission (2011): Communication from the Commission to the European Parliament and the Council – Preparation of the multiannual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period (11th European Development Fund). 7 December 2011 proposal
[102] Council of the European Union (2013): Council Decision on the position to be adopted on behalf of the European Union within the ACP-EU Council of Ministers concerning the multiannual financial framework for the period 2014 to 2020 of the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States on the one part, and the European Community and its Member States, of the other part – Common Guidelines. 14 May 2013
[103] Council of the European Union (2013): Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies – Common Guidelines. 14 May 2013
[104] *Ibid.*
[105] European Commission (2013): Proposal for a Council regulation on the implementation of the 11th European Development Fund. 26 June 2013
[106] Cotonou Agreement, Articles 2 and 4
[107] European Centre for Development Policy Management (2012): Differentiation in ACP-EU Cooperation Implications of the EU's Agenda for Change for the 11th EDF and beyond.
[108] *Ibid.*
[109] Article 9, Annex IV, Cotonou Agreement, as referenced in European Commission (2013): Proposal for a Council regulation on the implementation of the 11th European Development Fund. 26 June 2013, Article 3
[110] As quoted in European Commission (2013): Proposal for a Council regulation on the implementation of the 11th European Development Fund. 26 June 2013, Article 3
[111] European Commission (2013): Proposal for a Council regulation on the implementation of the 11th European Development Fund. 26 June 2013, Article 5 (4)

[112] European Commission (2011): The Multiannual Financial Framework: The Proposals on External Action Instruments. MEMO/11/878. 7 December 2011
[113] Council of the European Union (2013): Internal Agreement – Common Guidelines, 14 May 2013 (op. cit.), Article 2
[114] European Investment Bank: EIB finan cing in African, Caribbean and Pacific countries. Available at: http://www.eib.org/attachments/country/eib_factsheet_acp_en.pdf
[115] European Commission (2013): Proposal for a Council regulation on the implementation of the 11th European Development Fund. 26 June 2013, Article 4 (4)
[116] Council of the European Union (2013): Internal Agreement – Common Guidelines, 14 May 2013 (op. cit.), Article 2
[117] African, Caribbean and Pacific Group of States: ACP-EU Council of Ministers: Satisfactory outcome – Good compromise on EDF. 7 June 2013. Available at: http://www.acp.int/content/acp-eu-council-ministers-satisfactory-outcome-good-compromise-edf-welcome-somalia
[118] Herrero A., Galeazzi G. and F. Krätke (2013), op. cit., p. 4
[119] European Commission (2013): Proposal for a Council regulation on the implementation of the 11th European Development Fund. 26 June 2013, Article 1 (3)
[120] *Ibid.*, Article 1 (2)
[121] Cotonou Agreement, p. 16
[122] Cotonou Agreement, p. 34
[123] European External Action Service and European Commission – EuropeAid (2012): Instructions for the programming on the 11th European Development Fund (EDF) and the Development Cooperation Instrument (DCI) – 2014-2020. 15 May 2012, Annex 1. See also Herrero A., Galeazzi G. and F. Krätke (2013), op. cit.
[124] Herrero A., Galeazzi G. and F. Krätke (2013), op. cit.
[125] *Ibid.*
[126] European External Action Service and European Commission – EuropeAid (2012): Instructions for the programming on the 11th European Development Fund (EDF) and the Development Cooperation Instrument (DCI) – 2014-2020. 15 May 2012
[127] CONCORD Europe (2013): EU delegations' engagement with civil society organisations in geographic programming 2014-2020, August 2013
[128] Herrero A., Galeazzi G. and F. Krätke (2013), op. cit., p. 9
[129] Herrero A., Galeazzi G. and F. Krätke (2013), op. cit.
[130] Own preparation based on Regional and Country Strategy Papers 2007-2013 and announcement made by the EC during Development Commissioner Piebalgs' visit to Central America on October 2013. They are still subject to approval by the EU institutions. For more information, please see: http://europa.eu/rapid/press-release_IP-13-900_en.htm
[131] This non-focal sector was intended to support Guatemala in building its institutional capacity to undertake the process of negotiating the Association Agreement with Central America
[132] European External Action Service and European Commission – EuropeAid (2012): Instructions for the programming on the 11th European Development Fund (EDF) and the Development Cooperation Instrument (DCI) – 2014-2020. 15 May 2012. Annex 2, p.4
[133] CONCORD EEAS review 2013. Available at: http://www.concordeurope.org/226-concord-eeas-review-2013?highlight=WyJlZWFzIl0

_List of Abbreviations

ACP	African, Caribbean and Pacific (Group of States)
CIR	Common Implementing Regulation
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DCI	Development Cooperation Instrument
EAR	Emergency Aid Reserve
EDF	European Development Fund
EEAS	European External Action Service
EIB	European Investment Fund
EIDHR	European Instrument for Democracy and Human Rights
ENI	European Neighbourhood Instrument
EP	European Parliament
EU	European Union
GAC	General Affairs Council
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GNI	Gross National Income
GPE	Global Partnership for Education
GPGC	Global Public Goods and Challenges
HR/VP	High Representative/Vice President of the European Commission
IIA	Interinstitutional Agreement
ICI	Instrument for Cooperation with Industrialized Countries
JAES	Joint Africa-EU Strategy
JFD	Joint Framework Document
LA	Local Authorities
MEP	Member of the European Parliament
MDG	Millennium Development Goals
MIC	Middle Income Country
MIP	Multiannual Indicative Programme
MFF	Multiannual Financial Framework
NSA	Non-State Actor
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PCD	Policy Coherence for Development
PI	Partnership Instrument
RSP	Regional Strategy Paper
UMIC	Upper Middle Income Country

CONCORD MEMBERS

NP National Platform Member
NW Network Member
AS Associate Member

NW Action Aid International
NW ADRA
AS ALDA
NW APRODEV
NP Austria: Globale Verantwortung
NP CONCORD Belgium
NP Bulgaria: BPID
NW CARE International
NW Caritas Europa
NW CBM International
NW CIDSE
NP Cyprus: CYINDEP
NP Czech Republic: FoRS
NP Cyprus: CYINDEP
NP CONCORD Denmark
NP Estonia: AKU
NW EU-CORD
NW Eurostep
NP Finland: Kehys
NP France: Coordination SUD
NP Germany: VENRO
NP Greece
NW Handicap International
NP Hungary : HAND
NW IPPF European Network
NW Islamic Relief Worldwide
NP Ireland: Dochas
NP Italy: CONCORD Italia
NP Latvia: Lapas
NP 'LU' Lithuanian development NGO umbrella
NP Luxembourg: Cercle
NP Malta: SKOP
NP Netherlands: Partos
NW Oxfam International
NW Plan International
NP Poland: Grupa Zagranica
NP Portugal: Plataforma ONGD
NP Romania: FOND
NW Save the Children International
NP Slovakia: MVRO
NP Slovenia: SLOGA
NW Solidar
NP Spain: CoNgDe
NP CONCORD Sweden
NW Terres des Hommes IF
NP United Kingdom: Bond
AW World Vision International
AS World Wide Fund for Nature (WWF)

www.concordeurope.org
#EUaid2020
Twitter: @Concord_Europe
www.facebook.com/ConcordEurope

Publisher: O. Consolo - November 2013
CONCORD a.i.s.b.l: 10 square Ambiorix – 1000 Brussels, Belgium
Tel: +32 2 743 87 50 – Fax: +32 2 732 19 34

This report is co-financed by the European Union. The views expressed in this publication do not necessarily reflect the opinion of the European Commission.