

CONCORD Cotonou Working group  
Briefing paper

**FINANCIAL PERSPECTIVES and the NEW EC EXTERNAL ACTION INSTRUMENTS**

## 1. The issue

Every 5 to 7 years the European Union reviews its multi-annual spending plan and negotiates the resources to be allocated to different policy areas. This process is called the “Financial Perspectives system”. In the framework of the Financial Perspectives, the European Commission (EC) took the initiative to rationalise the instruments of its external assistance under the heading “Europe as a global partner”. The overall budget of this heading for the period 2007-2013 will be € 49.463 billion.

## 2. What the EC is doing

Following the negotiations and the agreement concluded by the European Commission, the European Parliament and the Council, the new Instruments of the EC external assistance have the following indicative financial allocations for 2007-2013:

- Development Co-operation Instrument – **DCI** - 16,897 billion €
- European Neighbourhood and Partnership Instrument – **ENPI** – 11,181 billion €
- Instrument of Pre-accession – **IPA** – 11,468 billion €
- Stability Instrument – 2,062 billion €
- Human Rights and Democracy Instrument – 1,104 billion €

The final agreement on the DCI is close to the demands that have been consistently made by CONCORD and is the outcome of excellent collective NGO lobbying across Europe. The key details are as follows:

- **The DCI is solely based on development policy principles** defined within Article 179 of the EU Treaty (restricting its coverage to cooperation with developing countries only, and the Instrument has been separated from the Instrument on Economic Cooperation with industrialised countries).
- **As a geographic instrument**, the DCI will be the source of funding for the Country Strategies and National Indicative Programs (geographic programs) for the developing countries of Asia, Latin America, Central Asia and Middle East that are not part of the ENPI or the IPA as well as for South Africa (48 countries in total). 100% of the spending under the geographic programs would be eligible as Official Development Assistance (ODA).

There are also **5 Thematic Programmes open to all developing countries**, including those in the Africa, Caribbean, Pacific (ACP) and those covered by the ENPI that will compliment the Geographic Programmes. The five Thematic Programmes have an indicative budget of 5,596 billion € for 2007-2013:

- Non-state actors (NSA) and Local Authorities – 1,639 billion €
- Food security – 1,709 billion €
- Investing in People (human and social development) – 1,060 billion €
- Environment, management of natural resources and energy – 804 million €
- Migration and Asylum – 384 million €

A sixth thematic programme is also foreseen for accompanying measures in the ACP sugar protocol countries (1,244 million €).

### **The following principles shall apply to these thematic programmes:**

(a) Community policy objectives cannot be achieved in an appropriate or effective manner through geographic programmes and the thematic programme is implemented by or through an intermediary organisation such as non governmental organisations, other non-State actors, international organisations or multilateral mechanisms. This includes global initiatives supporting the MDGs, sustainable development or global public goods.

(b) actions are of the following nature:

- multi-regional and/or cross-cutting actions, including pilot projects and innovatory policies;
- actions in cases where there is no agreement on the action with the partner government(s);
- actions relevant to the purpose of a specific thematic programme which respond to a Community policy priority or an international obligation or commitment of the Community;
- where appropriate, actions in cases where there is no geographic programme or it has been suspended.

EC assistance priorities under the Development Cooperation Instrument are identified in:

- **In the case of thematic programmes**, a strategy paper and multi-annual programme to be prepared by the relevant DG (Development or Relex) and transmitted to AIDCO for implementation. On their basis, AIDCO will prepare Annual Action Programmes. Both the strategy papers and the annual action programmes will be submitted to be endorsed by the single Member States Committee that will assist the EC for the whole DCI. The EP is consulted according to usual rules of comitology.
- **In the case of geographic programmes**, Country Strategy Papers (CSPs) based on each country's needs and performance will serve as basis for EU's programming of development aid. The Country Strategy paper will include a Multi-Annual National Indicative Programme that sets out the priority areas and financial allocations. The Country strategy papers must be endorsed by the DCI Member States Committee and are also submitted to the scrutiny of the European Parliament.
- **In both cases**, Annual Action Programmes specifies the objectives pursued, the fields of intervention, the expected results, the management procedures and total amount of financing planned. They contain a description of the operations to be financed, an indication of the amounts allocated for each operation and a timetable.
- **It is foreseen to deconcentrate a great part of the management of the thematic programmes** to delegations and to concentrate support in a limited number of priority countries in contradiction with the fact that all DC are eligible under the DCI.

The **scrutiny role played by the Development Committee** of the European Parliament on the country strategy papers was key to make sure that the objectives of the DCI regulation and the principles of the EU Consensus on development were fully respected.

Unfortunately, so far, there has been **very little consultation of civil society** on the preparation of the strategy papers, multi-annual programmes and annual action plans. Even in the case of the thematic programme for Non-State actors and Local Authorities, consultations at local level took place in a very small number of countries and no serious opportunity was offered to CS to make inputs during the drafting process at Brussels level. For the Budget 2007, **the majority of the centralised calls for proposals launched by Brussels headquarters are now open. Country calls by delegations are published one by one. Many are still pending and those published so far show a great variety of approaches and priorities not always in line with the spirit of the multi-annual strategy in particular in the case of the NSA-LA programme. The Commission is now preparing the 2008 annual action plans with no foreseeable improvement with regard to the consultation process.**

### 3. Our recommendations

- **We ask for a broad in-depth dialogue on CSOs participation** in thematic and geographic programmes that involves a wide range of stakeholders and is based on political commitments and for an open and transparent process for the programming of the thematic strategies that would include an actor strategy and be flexible enough to integrate lessons learned from one year to the other.
- There is a **need to establish a long-term, systematic dialogue and good working relations and cooperation between civil society organisations and EC Delegations**. There is an opportunity for a renewed engagement between EC Delegations and civil society in policy discussions as an essential means to advance the effective and successful implementation of new EC aid instruments and programmes.
- The EC should provide opportunities for civil society actors in developing countries to express their views as to the way in which the EC Delegation could **support and strengthen the capacity of civil society** through the new thematic programmes whilst complementing the national indicative programme. **EC Delegations must be particularly pro-active in their out-reach to marginalised, vulnerable and hard-to-reach groups** utilising the support of European development NGOs active in the field as part of this process.
- A mechanism should be established in the framework of the programming process of Country Strategy papers to ensure that the **thematic programmes will not be used as the excuse** for failing to address key challenges described in country analyses and that the subsidiarity principle is implemented in a spirit of complementarity and added value taking account of practice and experience.
- An **annual report** on each of the thematic programmes should be provided to the Member States' Committee and European Parliament and be posted on the EC website to inform its strategic partners.
- A part of the budget should be provided to **create genuine space for impact assessment, learning and dialogue** across the thematic programmes. The objectives would be to improve knowledge, encourage synergies, and provide opportunities for consultation and strategic reflection.
- In order to ensure that **mainstreaming of cross-cutting issues** does not rest a mere rhetorical commitment, the European Commission should put in place:
  - (1) Appropriate allocation of explicit human and financial resources to the specific crosscutting theme and the set up of multi-stakeholders dialogue meetings
  - (2) Strong monitoring and evaluation mechanisms, including the development of appropriate indicators, mechanisms to disaggregate data by age, sex, etc.,
  - (3) The inclusion of cross-cutting issues in programming guidelines and PCM and strong accountability systems
- A **public awareness-raising** component should be explicitly foreseen in all thematic programmes and their respective strategies, and not only related to the work of Non State Actors and Local Authorities

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