



OVERVIEW OF NEW FUNDING INSTRUMENTS AND APPROACHES OF THE EUROPEAN UNION FOR THE EXTERNAL ACTION

Florence, 28th September 2015, Dania Tondini

AGENDA FOR CHANGE

(nov 2011)

Increasing the impact of EU development policy

FOCUS:

- human rights, democracy and other aspects of good governance
- inclusive and sustainable growth.

AGENDA FOR CHANGE (nov 2011)

Increasing the impact of EU development policy

PRINCIPLES:

- **Concentration** : focus on maximum 3 sectors
- **Differentiation** :
 - Target resources where they are needed and where they have greatest impact**
 - Allocation of EU development assistance according to partner countries' needs, capacities, commitments and performance, as well as the potential EU impact
 - Supporting development in the Neighbourhood and Sub-Saharan Africa, as well as in fragile countries
 - Need for other types of cooperation and new partnerships with more advanced developing countries**
 - Diversify aid modalities and develop other types of cooperation (e.g. loan-grant **blending**, technical coop, twinnings, etc.)
 - Development partnership based on mutual interests with emerging economies and strategic partners
- **Joint programming**

InfoPoint Conference 21 January Presentation Pierre Ghilain (3).pdf - Adobe Reader

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What? Who? Where? When? How?

Structure of EU external aid

European Union

European External Action Service (EEAS)

European Commission

B3 DG DEVCO (EuropeAid)

Humanitarian Aid (ECHO)

EU EU EU Delegation

ECHO ECHO Regional office

EuropeAid

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WHAT IS A FUNDING INSTRUMENT?

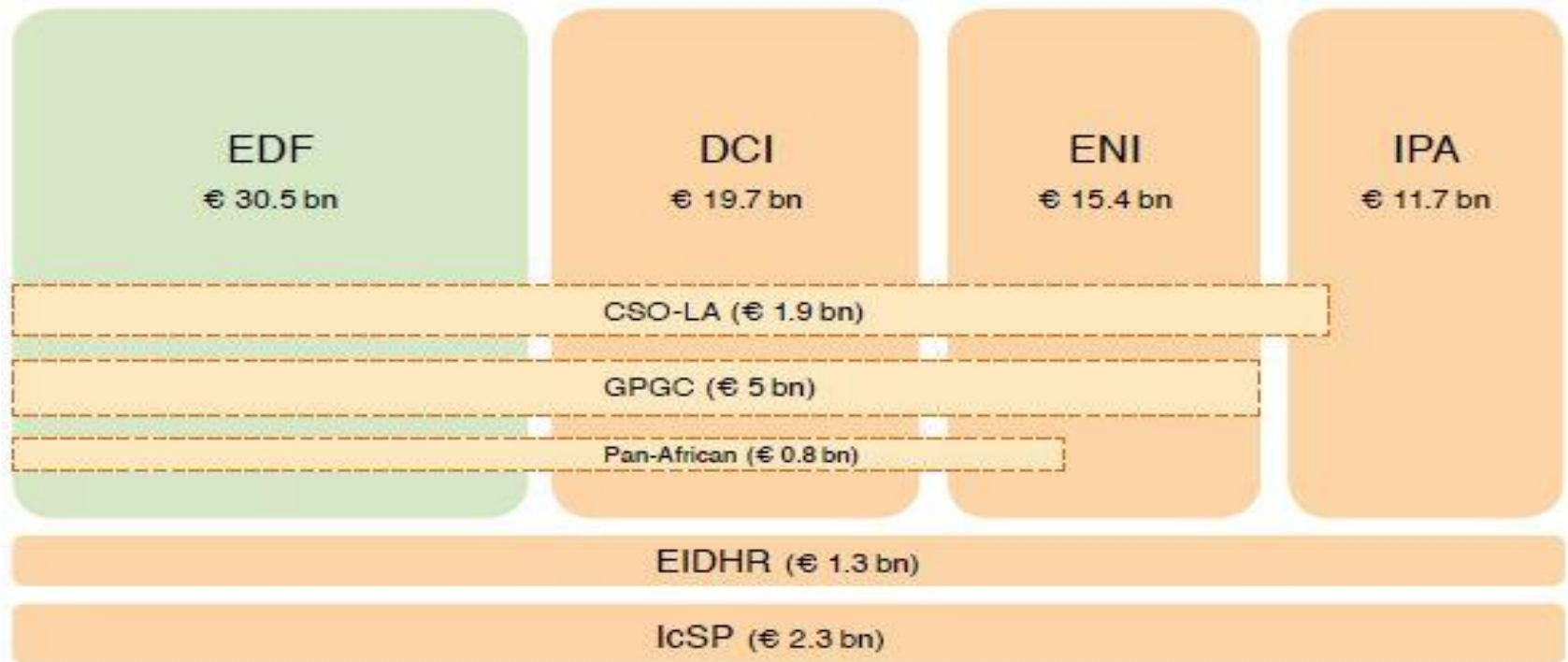
The EU budget for development cooperation is divided into different funding instruments, which provide the legal basis for the implementation of the various programmes:

- with a geographical focus (DCI, ENI, IPA)
- with a thematic focus (EIDHR, IcSP, DCI-CSOs-LAs, DCI-GPGC)

Notably, the DCI (Development Cooperation Instrument) includes both geographical and thematic programmes.

The European Development Fund (EDF) is a separate fund which is managed outside the framework of the EU's general budget and funded by the member states on the basis of negotiated voluntary contributions.

The diagram below shows the size of the EU's funding instruments and programmes for 2014 –2020.



EDF: European Development Fund
DCI: Development Cooperation Instrument
ENI: European Neighbourhood Instrument
IPA: Instrument of Pre-Accession

CSO-LA: Civil Society Organisations and Local Authorities programme
GPGC: Global Public Goods and Challenges programme
EIDHR: European Instrument for Democracy and Human Rights
IcSP: Instrument contributing to Stability and Peace

GEOGRAPHICAL INSTRUMENTS AND PROGRAMMES

- 1. DCI: Development Cooperation Instrument**
 - LATIN AMERICA, ASIA**
- 2. EDF: The European Development Fund**
 - ACP COUNTRIES**
- 3. ENI: European Neighbourhood Instrument**
 - EAST AND SOUTH NEIGHBOURHOOD REGIONS**
- 4. IPA: Instrument for Pre-Accession**
 - PRE-ACCESSION COUNTRIES**

DCI

Objectives and scope

- Poverty reduction in developing countries;
- To achieve the internationally agreed Millennium Development Goals (MDGs) and the post-2015 agenda for sustainable development;
- To consolidate and support democracy and human rights.

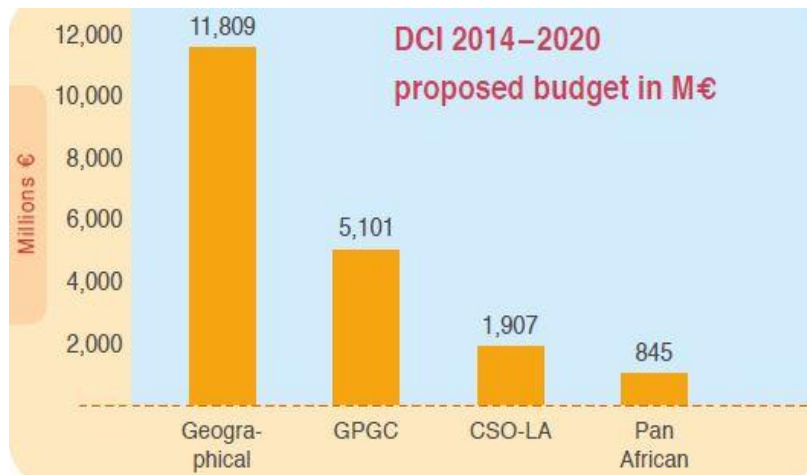
Aid modalities

The DCI's geographical programmes are managed mainly under agreements between the EU and partner countries (for country programmes), and between the EU and Regional Economic Communities for regional programmes.

Budget and allocations

The tentative budget for DCI for the seven-year period from 2014 to 2020 is **€19.6 billion** (around 21.5% of total EU aid). The largest share of DCI's budget, €11.8 billion, is allocated to the geographical programmes.

The rest goes to the budget for the CSO-LA, GPGC and pan-African programmes.



Pan -African programme

- Created to support the Joint Africa-EU Strategy (JAES) and to cover Africa as a whole. It is part of the Development Cooperation Instrument.

Objectives and scope:

1. Peace and security;
2. Democracy, good governance and human rights;
3. Human development;
4. Sustainable and inclusive development and growth, and continental integration;
5. Global and cross-cutting issues, which will address (i) climate change and the environment, (ii) capacity-building for the AUC and other AU institutions/bodies, (iii) civil society in the JAES, and (iv) support for the implementation of the JAES;

EDF

Objectives and scope

- The reduction and, in the long term, the eradication of poverty in ACP countries and regions;
- To help foster sustainable economic, social and environmental development, and to consolidate and support democracy, the rule of law, good governance, human rights and the relevant principles of international law.

Budget and allocations

Unlike the EU 's other funding instruments, the EDF is not part of its general budget and is subject to an intergovernmental process among EU member states.

For the period 2014 – 2020, EU member states will contribute **€ 30.5 billion** to the 11th EDF.

ENI

Objectives and scope:

- To encourage democracy and human rights, sustainable development and the transition towards a market economy in the EU's neighbouring partner countries.
- To support political and economic reforms (promoting human rights and the rule of law; sustainable and inclusive growth and economic, social and territorial development; energy cooperation, adaptation to climate change and the management of natural resources; strengthening civil society; mobility and people-to-people contacts; and regional integration, including cross-border cooperation programmes).

Budget and allocations

The ENI's overall budget for the period 2014–2020 amounts to **€15.4 billion.**

IPA

Objectives and scope

- To promote social, economic and legal reforms in the countries that are future or potential EU member states, focusing on:
 - Public-sector reform
 - Legal reform
 - Sustainable economic development
 - Social development, including democracy, gender equality, and employment
 - Agriculture and rural development.

Budget and allocations

The tentative budget for the seven-year period 2014–2020 is **€11.7 billion**. The IPA will finance country-specific, multi-country and cross-border programmes.

THEMATIC INSTRUMENTS AND PROGRAMMES

1. **DCI-CSO-LA:** Civil Society Organisations and Local Authorities thematic programme
2. **DCI-GPGC:** Global Public Goods and Challenges thematic programme
3. **EIDHR:** European Instrument for Democracy and Human Rights
4. **IcSP:** Instrument contributing to Stability and Peace

Geographic coverage:

- DCI thematic programs all countries except IPA countries
- Other thematic instruments: all countries

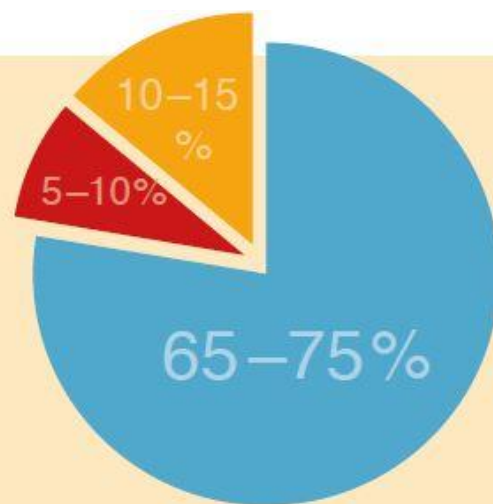
CSOs - LAs

Objectives and scope:

- To strengthen Civil Society Organisations and Local Authorities in partner countries,
- To improve governance and accountability through inclusive policy-making by empowering citizens and populations through the voicing and structuring of their collective demands.

Priorities:

1. Focus on country level (**enhance CSOs' and LAs contributions to governance and development processes; TALD pilot actions promoting local development through a territorial, multi-stakeholder approach**)
2. Reinforcing regional and global CSO networks and associations of LAs.
3. Develop and support education and awareness-raising initiatives, fostering citizens' awareness of and mobilisation for development issues (DEAR).



- Country level support to CSOs and LAs
- Regional and global networks of CSOs and LAs
- Development Education and Awareness Raising in Europe

CSOs – LAs budget and allocations:

The programme allocation amounts to **€ 2 billion** for the period 2014 – 2020.

GPGC

New programme (replaces four previous DEVCO thematic programmes)

Objectives and scope:

- Support for development goals that are universally applicable to global challenges, equitable, inclusive and sustainable.
- Address inclusive, sustainable growth while assisting partner countries to reduce vulnerability to global shocks.

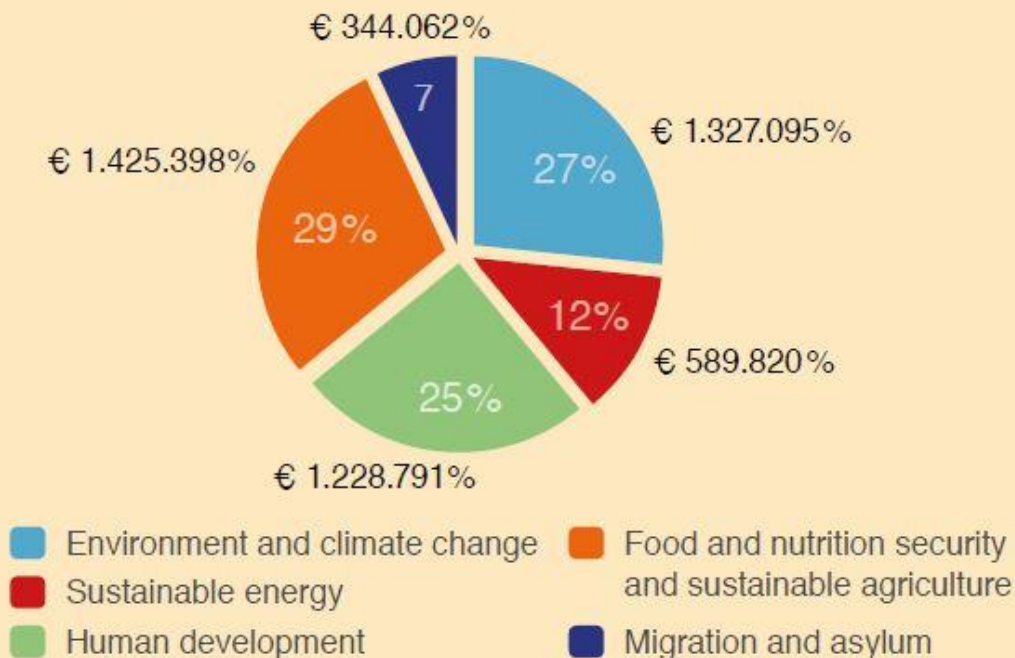
Five strategic areas of the GPGC:

1. AAP EEC Environment and climate change
2. AAP FNSSA Food and nutrition security and sustainable agriculture
3. AAP Asylum and migration
4. AAP Sustainable energy
5. AAP Human development

Flagship programmes, some cross-cutting, multidimensional programmes:

1. Global Climate Change Alliance + (GCCA+)
2. EU Biodiversity for Livelihoods Initiative (EUBLI)
3. SWITCH TO GREEN: supporting private sector led inclusive green growth
4. FLEGT: improving forest law enforcement, governance and trade
5. Addressing health risks at the animal-human ecosystems interfaces
6. The EU Resource Transparency Initiative (EURTI)
7. Trade integration for green and inclusive growth
8. EU initiative on pro-poor land acquisitions
9. Migrant domestic workers' labour and human rights
10. Domestic Revenue Mobilisation Initiative for Inclusive Growth and Development
11. Rights-based human development for the working poor
12. Climate-change mitigation: supporting low-carbon development.

GPGC 2014-2020 proposed budget allocation in M€, %



GPGC budget and allocations:

The budget for the GPGC programme amounts to roughly **€ 5 billion** over seven years.

EIDHR

Objectives and scope:

- To support human rights and fundamental freedoms in situations where they are most at risk;
- To support democracy: strengthening the role of civil society in promoting participatory and representative democracy, transparency and accountability;
- To support targeted key actors and processes, including international and regional human rights frameworks and mechanisms;

New in 2014–2020

- Human Rights Facility
- EU Human Rights Defenders Mechanism

Aid modalities:

- Global calls for proposals
- Country calls for proposals:
- Small grants for HRDs

Budget and allocations:

The total budget will amount to **€1,333 million**. Approximately 20% of EIDHR funding for this period is expected to support human rights defenders (HRDs).

IcSP

Objectives and scope:

- to address those conflict, peace and security issues having an impact on development or other cooperation policies of the EU – and very often on the EU's own security, too – and which cannot be addressed under any other cooperation instrument of the EU.
- the promotion of democracy and good governance;
- human rights and humanitarian law, including children's rights and the rights of indigenous peoples; non-discrimination;
- gender equality and the empowerment of women; conflict prevention, and climate change.

The implementation of the IcSP is described in three main articles:

- Article 3: Assistance in response to situations of crisis or emerging crisis to prevent conflicts
- Article 4: Assistance for conflict prevention, peacebuilding, and crisis preparedness
- Article 5: Addressing global, trans-regional and emerging threats

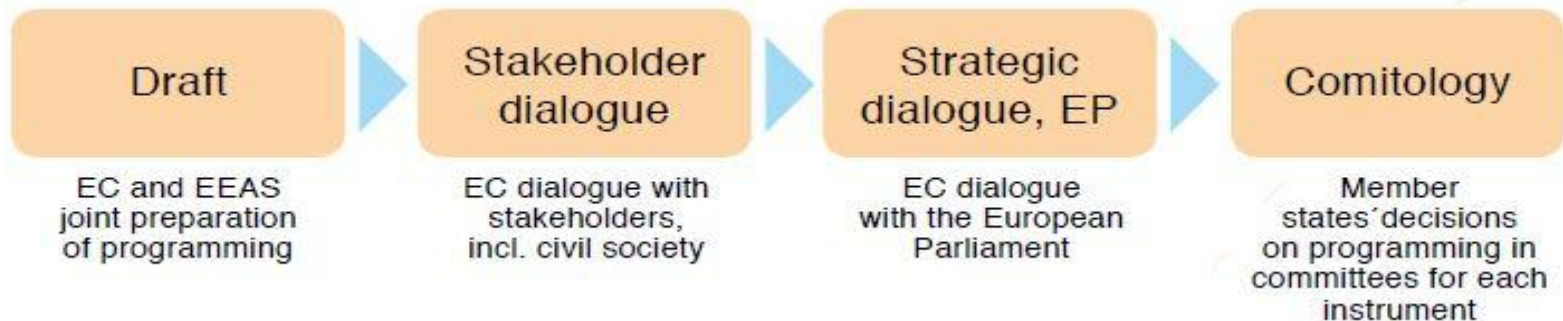
Budget and allocations:

Total budget: **€ 2,340.000 million**

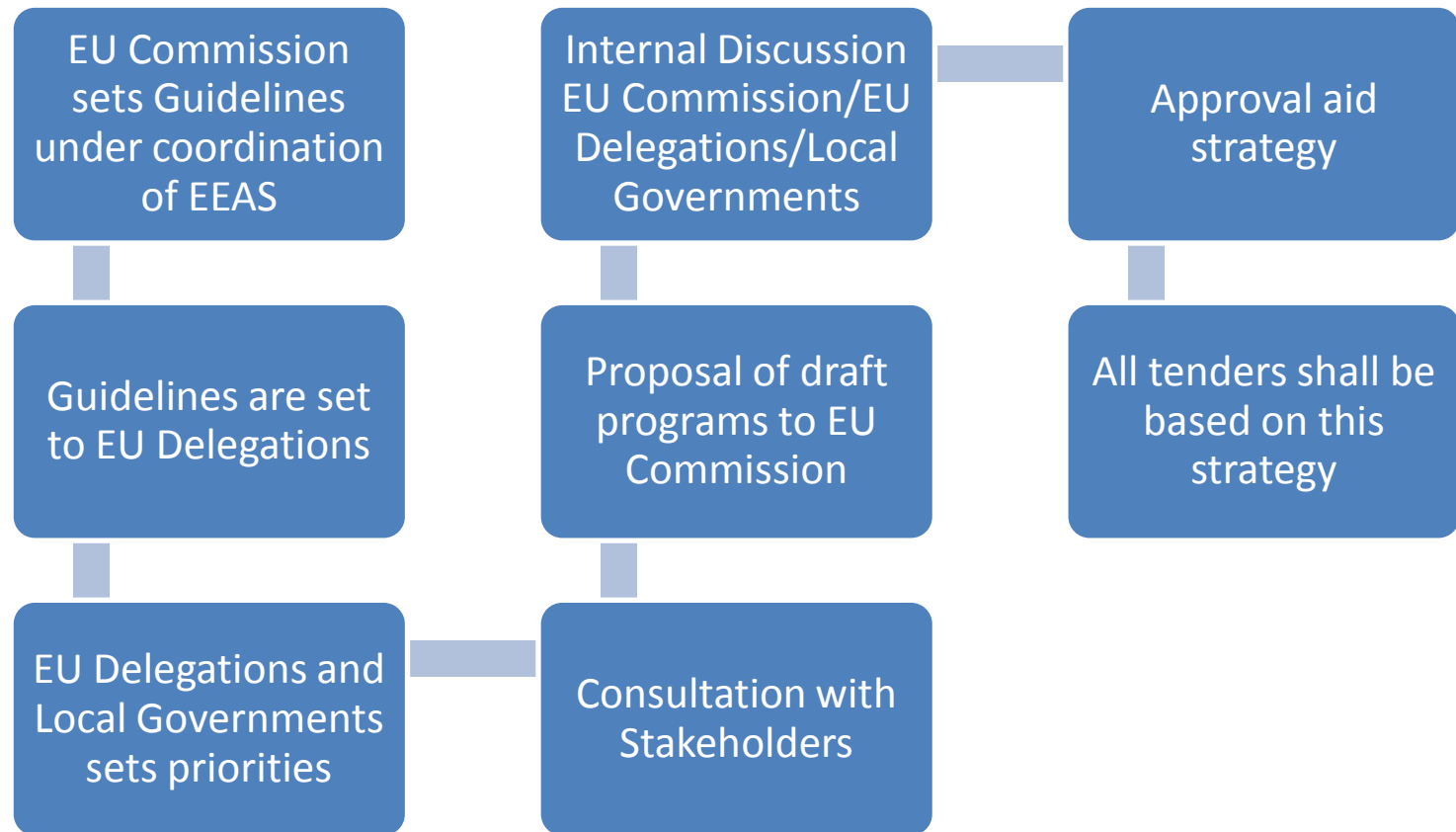
Priority areas	% allocated	Amount in €
Article 3:	70 %	1,600 million
Article 4:	9 %	210 million
Article 5:	21%	491 million

THE EU PROGRAMMING CYCLE

1. Allocation of resources: done in the seven-year Multiannual Financial Framework (MFF) , which defines the budget lines.
2. EU delegates, the European External Action Service and the Commission discuss with all stakeholders involved in each programme funding
3. The dialogue with the Parliament provides the legal basis



Programming aid - process



TYPES OF FUNDING

- ❖ Core funding
- ❖ Programme funding/ FPAs
- ❖ Regranting/ Financial support to third parties
- ❖ Ringfencing in calls for proposals
- ❖ Follow-up grants
- ❖ Direct awards
- ❖ Co-financing
- ❖ Pool funding/ Trust funds
- ❖ Blending