

Information on MFF - May 2018

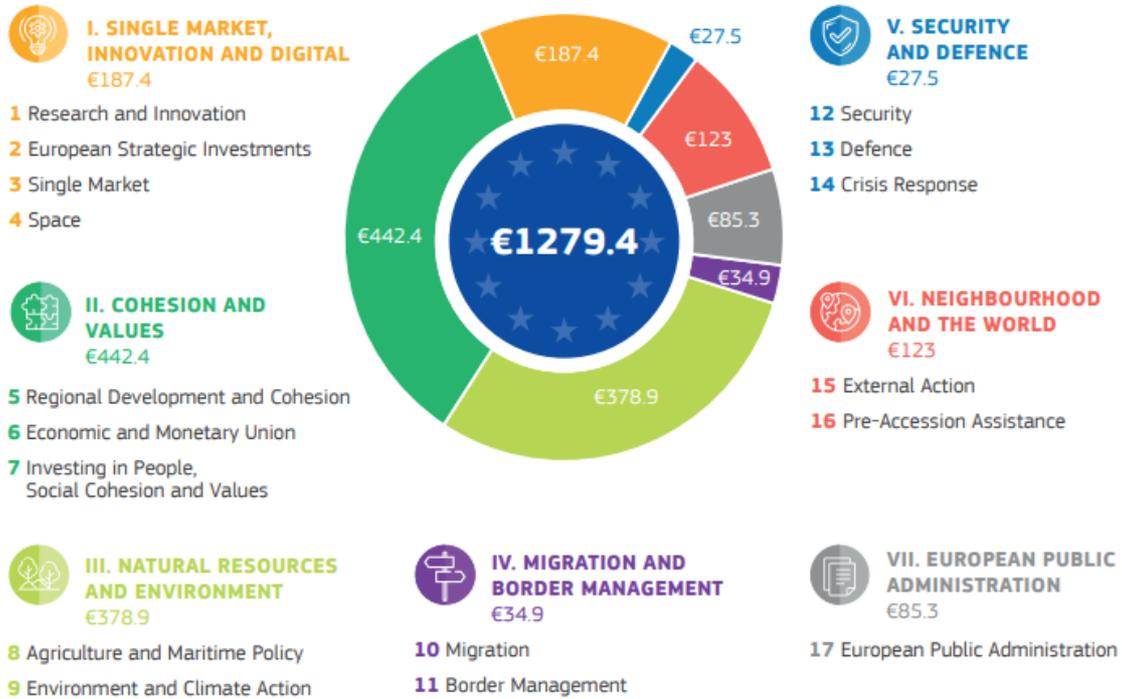
Analysis EC proposal on next MFF

Overall MFF

- The EC communication on the next MFF, "[A Modern Budget for a Union that Protects, Empowers and Defends](#)" was released yesterday
 - The EC is proposing a budget that is higher than the current one – despite the loss of the UK contribution. It would go from €1,087 billion now to 1,279 billion, which is equivalent to 1.114% of Europe's GNI (compared to 1,03% currently, without the EDF, so with the EDF, we are close to 1,11%). However, according to the EC, this doesn't mean that MS will have to increase their national contributions. That increase should be covered by a new system of own resources.
 - A few MS already said that a smaller EU means a smaller budget, and that they would reject increasing the overall budget
 - The proposal has 7 headings, compared to the current 5 now:
 1. Single Market, Innovation and Digital
 2. Cohesion and Values
 - Cohesion funds cut by 7%
 3. Natural resources and environment
 - CAP cut by 5%
 4. Migration and border management (new)
 - Covers internal aspects of migration including the protection of external borders, Asylum and Migration, Frontex. External ones will be covered by "Neighbourhood and the world"
 5. Security and defence (new)
 - Security and safety of EU's citizens, improving EU's defence capacities (EU defence fund) and crisis response crisis
 6. Neighborhood and the world (former Global Europe)
 7. Administration
- ➔ Additionally, there are instruments outside the ceilings (ex: emergency aid reserve, flexibility instrument)
- ➔ The European Peace Facility (off budget fund outside the MFF)

THE NEW MULTIANNUAL FINANCIAL FRAMEWORK 2021 - 2027 A BUDGET FOR A UNION THAT PROTECTS, EMPOWERS AND DEFENDS

In billion euro, current prices



- According to EC's own numbers: Migration and borders' budget was x2,6, Security's budget x1,8 and External action x1,3
- New heading for "Migration and Border Management" (heading 4) and on "Security and Defence" (heading 5), allocating around €62 billion between the two.
 - H4: protection of EU borders as a pre-requisite for ensuring more-effective migration management and internal security (2.6 more than in the current MFF)
 - H5: response to 'diversified security threats and terrorism, radicalisation, organised crimes and cyber-security'

Heading 6 "Neighbourhood and the World"

- €123 billion (9,6% of the total budget), which, in we only look at the financial aspect, isn't bad as it's an increase in a context of Brexit and EDF budgetisation
- The €123 billion represents an increase of 27.11% compared to the current MFF. This increase is explained by the inclusion the European Development Fund (EDF) – €30.5 billion - in the budget and additional €26.24 billion.
- Policy framework:
 - Global Strategy, renewed ENP and ECD
 - Stress that stronger coordination needed between internal and external policies such as SDGs, Paris agreement and **Partnership framework on migration**.

- Aims at investing in:
 - The EU's action in its neighbourhood, in developing countries and the world
 - Pre-accession assistance
- New architecture aims at making “the Union better equipped to **pursue its goals and project its interests, policies and values globally**”: clear focus on EU and EU interests
- Geographic priorities of the heading: Neighbourhood, Africa, and Western Balkans and countries most in need. Thematic priorities: security, migration, climate change and human rights.
- No mention of 0,7% commitment and/or ODA.

Single Instrument

- In the new heading, €89.5 billion are allocated to a “**Neighbourhood, Development and International Cooperation Instrument**”. The remaining funding goes to Humanitarian aid (€11 billion), CFSP (€3 billion) etc.
- Merge between EDF, DCI, ENP, EIDHR, PI, ICSP, INSC (nuclear safety cooperation) and CIR, confirmed.
- Instrument for Pre-Accession (IPA), Humanitarian aid, CFSP, Cooperation with OCTs remain self-standing
- Instrument “that allows the EU to project its interests, policies and values beyond its borders”
 - Will cover cooperation with partner countries through geographic and thematic approaches, “preserving... Options to act according to the Union's priorities (in particular the Neighbourhood, Africa, Human rights, stability and migration)”
 - Will have a geographic pillar, a thematic pillar, and a rapid response pillar (cfr previous webinar).
 - Geographic pillar: will consist of several geographic envelopes with minimum amounts earmarked/ring-fenced
 - Thematic pillar: covers issues that cannot be covered through the geographic pillar (including political flagship initiatives): HR, CSOs, Peace and Stability, migration, and “other themes linked to the implementation of the SDGs...including diplomacy and trade”
 - Rapid-response pillar: quick response for crisis management and conflict prevention, resilience, LRRD (linking relief, rehabilitation and development)
 - Flexibility will be built-in to “better serve the Union's priorities”, including through a “emerging challenges and priorities cushion”, an important objective of which would be to “address migratory pressures”
 - A new “external investment architecture” building on the EIP and its EFSD will be created, allowing for crowding-in additional resources from other donors and the private sector→ blending, guarantees, technical assistance, etc → allocations from the geographic instruments
- European Peace Facility sits outside of the EU budget, which amount is of €10.5 billion – mostly to be used in security and military related issues abroad→ CSDP missions,

military and defence assistance to relevant third countries, international and regional organisations.

- Humanitarian aid: the human-development nexus will be ensured through the geographic pillar as well as the rapid-response pillar.

Benchmarks and mainstreaming

- 25% for climate objectives throughout the whole MFF but only for climate objectives and not environmental objectives (natural resource management, and biodiversity) so narrow view as problem isn't just climate change, but also nature loss, which is less visible. In external action, we are calling for 50% but for external we don't know yet. So keep on asking the benchmark to be increased in the external.
- Gender and climate mainstreamed, but only through the Instrument. While migration: "priority to be addressed across the instrument and in the different pillars and the unallocated fund". So more substance given to migration, while language on migration stronger, which shows that this is the political priority.
- SDG mainstreaming nowhere to be seen.
- 20% benchmark for HD and social inclusion not reflected

Modalities of implementation

- Mix of modalities
- Grants will target countries more in need, notably Least Development Countries (LDCs)
- Modalities for more Advanced Developing countries, will be innovative forms of engagement - less concessional forms of cooperation, like blending

Next Steps: May and June

- 22 May: Letter to National Ministers prior to the Foreign Affairs Council accompanied by a twitter action on 21 May
- 11-12 June: meeting of CONCORD MFF group to jointly discuss the advocacy strategy. Registration is open via [this link](#).
- 14 June, External Instruments regulations coming out: Press statement and analysis of the External Instruments regulations and videos of CONCORD members addressing their ministers/Heads of states

Timeline



NEXT STEPS



CONCORD

European NGO confederation for relief and development

