

Presse-Statement

(translated version)

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European Commission plans to restructure EU budget post-2020

New external financing instrument weakens civil crisis prevention

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On 2 May 2018, Commission President Jean-Claude Juncker and Budget Commissioner Günther Oettinger unveiled their proposals for the next EU budget post-2020. The figures sparked heated debate in the European Parliament, partly because the method used for their calculation was very different than before. On 12-14 June, the Commission will publish regulations for the various policy areas with more detailed breakdowns of the figures. In the new Multiannual Financial Framework (MFF 2021-27), the European Commission proposes to merge and restructure previously self-standing budget lines. As one example, a new Neighbourhood, Development and International Cooperation Instrument would replace well-established and hitherto self-standing mechanisms such as the European Development Fund (EDF) and the Development Cooperation Instrument (DCI), but also the Instrument contributing to Stability and Peace (IcSP) and the European Instrument for Democracy and Human Rights (EIDHR). The new external financing instrument “should include a strong emphasis on migration” and would also provide funding for “capacity building” (training and equipment) for the police and armed forces in partner countries. Bread for the World views this development with great concern.

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Dr Martina Fischer, Policy Advisor, Peace and Conflict Transformation, at Bread for the World, **comments:**

“We are worried that tried and tested mechanisms which support development, civil crisis prevention and human rights protection but also require a reliable source of long-term funding are giving way to the EU’s short-term security interests. Development policy should focus on ending poverty and improving social and economic prospects in the world’s poorest countries. Instead, with this new format, it seems likely that the funding will mainly benefit countries that show themselves willing to cooperate with the EU on reinforcing borders and controlling migration. That is the purpose of various agreements already signed in recent years with governments in North Africa and the Sahel region, whose human rights record, in some cases, is extremely problematical.”

Bread for the World is particularly critical of the scrapping of the funding mechanisms for civil society. Martina Fischer explains:

“Any withdrawal of the *Instrument contributing to Stability and Peace* (IcSP) would be a massive setback for everyone who has been working with such perseverance for so long to strengthen civil crisis prevention and peacebuilding at EU level. This proposal is hard to comprehend, given that a 2017 evaluation of this particular mechanism rated it as highly effective and successful. We are also critical of the proposal to integrate the *European Instrument for Democracy and Human Rights* into the new framework. The EIDHR provides targeted support for local initiatives, civil society and the media in social dialogue. It is a flexible instrument, which means that it can make important contributions – even in crises – to anti-discrimination and protection of human rights activists. If these two budget lines fall away, the support available for civil society projects will be extremely limited. It is already very difficult for NGOs working at the grassroots to access EU funding. Integrating this funding mechanism into a larger and more general budget line would, without question, reduce NGOs’ access to funding, not only because the funds would have to be disbursed in much larger tranches but also because this type of mechanism is not set up to provide ad hoc support in emergencies. Given that the scope for civil society engagement is already

extremely limited in many countries, it would be irresponsible to further curtail these organisations' access to funding.”

The German Government should therefore bring influence to bear within the Council of the European Union for these instruments to be retained as separate funding mechanisms within the MFF. Members of the European Parliament should be lobbying hard for this outcome as well.”

*Dr Martina Fischer is available for interviews.
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Background / Factsheet

Multiannual Financial Framework (MFF)

With the Multiannual Financial Framework (MFF), the EU member states decide how much money they wish to provide for Community tasks over a given period and how much should be spent, as a maximum, on the various policy areas. On 2 May 2018, Commission President Jean-Claude Juncker and Budget Commissioner Günther Oettinger unveiled their proposals for the next EU budget post-2020 ([Communication from the Commission](#)). The Commission recognises that more money must be provided by fewer member states for this Community budget. A new Neighbourhood, Development and International Cooperation Instrument will absorb the tried and tested instruments for human rights and democracy, stability and peace and aim to control migration. The Commission proposes that the 2021-2027 MFF should amount to €1,279 billion (when inflation is stripped out, this is equivalent to €1,135 billion for 2021-2027 in 2018 prices) – €186,000 million (approx. 11 %) more than was agreed in the MFF for 2014-2020. Due to the different calculation methods but also as a result of the restructuring of the budget headings by the Commission, direct comparison of the proposed items with those adopted for the current funding period is almost impossible.

According to the Commission's calculations, more funding will be provided to strengthen the EU's external borders (the number of staff employed by the European Border and Coast Guard Agency FRONTEX alone will increase fivefold to 6,000), and there will be a stronger focus on defence, research and youth. Almost all the other EU programmes will be subject to cuts; this even includes spending on agriculture and structurally weak regions (although these two items will remain the largest areas of expenditure, accounting for 34.5% and 29.7%, respectively). For migration (Asylum and Migration Fund), the Commission has pencilled in €10.4 billion, with a further €9.3 billion for an Integrated Border Management Fund. Proposed spending on security and defence amounts to €18 billion (including €13 billion for the [European Defence Fund](#), launched in 2018). A new Neighbourhood, Development and International Cooperation Instrument will be allocated €89.5 billion, with a further €11 billion for humanitarian aid, €3 billion for the Common Foreign and Security Policy and €14.5 billion for pre-accession assistance.

A new Neighbourhood, Development and International Cooperation Instrument for the EU

These budget proposals link in with plans for a comprehensive restructuring and refocusing of the EU's financial instruments. Many previously self-standing budget lines will be brought together in future, notably the instruments for development, democracy and human rights, and civil conflict management. A new overarching Neighbourhood, Development and International Cooperation Instrument will integrate the European Development Fund (EDF) – not currently part of the EU budget but replenished separately by the member states – along with other instruments which in the previous Multiannual Financial Framework (2014-20) were listed as self-standing sources of funding for international activities, including the Development Cooperation Instrument (DCI), the European Neighbourhood Initiative (ENI), the [Instrument for Democracy and Human Rights \(EIDHR\)](#), and the [Instrument contributing to Stability and Peace \(IcSP\)](#). This latter mechanism was established in 2014 to support crisis prevention, civil conflict management and peacebuilding/reconciliation and has provided funding for numerous civil society projects in more than 70 countries.

Migration control and “capacity development” for partners’ armed forces

In a [100-page Communication published on 2 May 2018](#), the Commission provides more detailed insights into the EU's future financial architecture. The Neighbourhood, Development and International Cooperation Instrument is presented on pages 79-83. Alongside general statements about its contributions to peace, security, development and stability in the world, the Instrument is clearly defined as having the following general objectives, among others: “*to address irregular migration*” and “*fight its root causes*” (p. 80). And it continues (on p. 82): “Migration is a priority which will be identified and addressed across the instrument and in the different pillars, including by drawing on unallocated funds.”

The Communication also clearly states that this budgetary flexibility (“rapid-response pillar with worldwide scope”) will enable funding to be provided for the *training and equipping of the security apparatus in partner countries* (p. 82). This expenditure mainly focuses on the armed forces in African partner countries that have been specially selected for “Capacity Building for Security and Development”, with an emphasis on counterterrorism, organised crime, drug and human trafficking, border management and control of migration. Here, specific mention is made of the possibility to make fast and flexible use of unallocated funds “to address migratory pressures ... but also to address unforeseen events, stability needs and new international initiatives and priorities”. Additional “capacity building” programmes aiming at training and equipping military and police institutions will be funded through the “European Peace Facility”, an off-budget instrument proposed outside the Multiannual Financial Framework (p. 99).

Political demands and alternatives

Bread for the World urges political leaders and decision-makers to rethink the Commission's plans and align its proposals with those put forward by NGO networks at European level (e.g. [CONCORD](#) – the European NGO Confederation for Relief and Development, and the [Human Rights and Democracy Network – HRDN](#)). Specifically, our demands are as follows:

- maintain the *Instrument contributing to Stability and Peace (IcSP)* and the *European Instrument for Democracy and Human Rights (EIDHR)* as self-standing funding mechanisms to support civil/civil society conflict

prevention and peacebuilding and the protection of human rights defenders;

- increase spending on international aid and retain *a self-standing financing instrument oriented solely towards development (poverty reduction, education, health, etc.)*, with the merging of the EDF and DCI if appropriate;
- achieve 100% alignment of the development instrument with the OECD's ODA spending criteria and ensure compliance with international aid effectiveness principles; the instrument should prioritise the LDCs and safeguard geographical balance;
- establish scrutiny mechanisms to ensure that development spending is ODA-compliant in all cases and genuinely benefits those in need.

Further information and assessments of EU policy are available here:

<https://info.brot-fuer-die-welt.de/blog/dr-martina-fischer>