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EU Budget consensus at the expense of development

State of play and options in front of negotiators

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This Briefing Note gives an overview of four **different possible options for negotiators** in the next round of EU budget talks. Even though European heads of state and government failed to reach a consensus on the next Multiannual Financial Framework (MFF) 2014-2020 during the extraordinary summit in late November 2012, the trend towards substantial cuts is clear. Development funding is likely to be particularly affected. The question is not whether there will be cuts, but rather how substantial they will be, where they will fall and what they will imply.

There are essentially **four options for policy negotiators** to aim for in the upcoming discussions: 1) support disproportionate cuts (↓↓); 2) support proportionate cuts (↓); 3) protect against cuts (◆); or 4) support increased spending (↑).

These four options can be applied at three different levels:

1. **Overall development spending in budget Heading IV** ('Global Europe') and **outside the budget (European Development Fund)**;
2. **The financial instruments** (Development Cooperation Instrument, Instrument for Stability, etc.);
3. **The different programmes within the instruments.**

Thus, possibly the EU Council President Van Rompuy's proposed cut of 13.3% to Heading IV will be applied to the overall heading, or the 13.3% cut will be divided between the different instruments or even programmes differently. This would mean that some **instruments or programmes could be affected more heavily than others**. This Briefing Note provides an overview of what is at stake, when development spending under the 'Global Europe' Heading is subject to cuts and presents different options to cope with these cuts. It concludes by noting that unless the "Friends of Development" speak up now, these cuts are likely to significantly undermine the ability of the EU to achieve development outcomes.

¹ The authors are grateful for feedback received from Florian Krätke, Sonia Niznik and Jeske van Seters on this publication. The views expressed and any errors herein are those of the authors and should not be attributed to any other person or organisation.

1. Introduction

With the dust settling from the EU budget summit (22-23 November 2012), where no political agreement on the next Multiannual Financial Framework (MFF) was reached, the question now is where and how exactly the overall reduction will fall and what the potential consequences of the final round of negotiations will be. This Briefing Note is intended to give a quick overview of the budget negotiations up to December 2012 and illustrate the different options of what the proposed cuts could mean for the European development spending.

The EU has repeated *ad nauseam* its commitment to 0.7% of GNI² as Overseas Development Assistance (ODA)³ yet the current proposals to cut the EU budget 2014-2020 dramatically undermine this. What is more troubling is that the second round of [cuts proposed by EU Council President Van Rompuy](#)⁴ of 13.3% to Heading IV compared to the European Commission's initial proposal⁵ (which contains most of the development spending and ODA) and 11% to the 11th European Development Fund (EDF)⁶ are the **largest proportional cuts to any headings or off budget expenditures**. This is likely due to 'collateral damage' of needing to accommodate Member States' demands for cuts to the overall budget rather than direct targeting. **Without a strong and committed "top table" group putting the protection of Heading IV and the EDF front and centre of their negotiating positions, these aspects of the proposed EU budget have proven much easier to cut than Common Agricultural Policy or Cohesion funding.** While European Development Commissioner Piebalgs and the European Parliament (EP) have fought hard to maintain such commitments, unless they significantly raise their game and find allies among the Member States, their efforts will largely have been in vain. This will be a bruising fight and Commissioner Piebalgs, Commission President Barroso and those in the EP concerned with development will have to make enemies inside their own house if they are to be successful. If however they are successful their own credibility and standing as defenders of development will be significantly enhanced. **One can only hope that a silent but strong "Friends of Development" group exists** also amongst the Member States, biding its time to strike at the right moment of the budget negotiations to get a better deal than is currently on the table for development spending, yet the current signs are not good.

² The 0.7% by 2015 is a collective ODA target of the EU and its Member States. Hence, 0.7% of total EU GNI could still be reached if an EU budget cut would be compensated by significant increases in bilateral development cooperation spending of EU Member States. Considering national trends, this is however quite unlikely to happen.

³ European Council. 2012. Council conclusions 'Increasing the Impact of EU Development Policy: an Agenda for Change'. Retrieved 28 November from

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/130243.pdf

⁴ Proposal is available Van Rompuy, H. 2012. Amended proposal for a Council Regulation laying down the financial framework for the years 2014-2020. Brussels: European Council. November 22.

<http://www.euractiv.fr/documents/2271/proposition-budget-2014-2020-van-rompuy.html#document/p1>

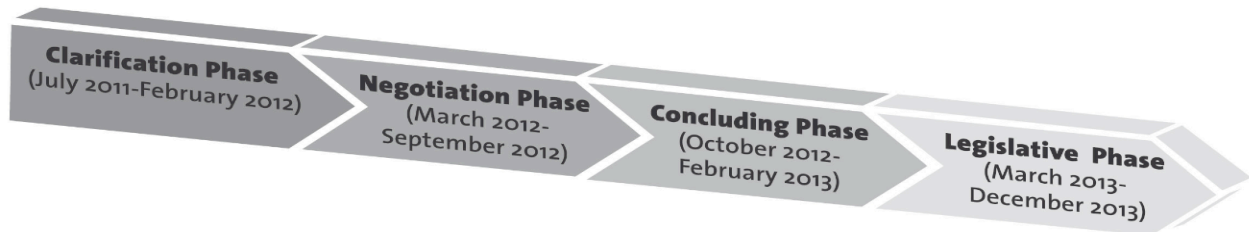
⁵ Van Rompuy, H. 2012. Amended proposal for a Council Regulation laying down the financial framework for the years 2014-2020. Brussels: European Council. November 22. <http://www.euractiv.fr/documents/2271/proposition-budget-2014-2020-van-rompuy.html#document/p1>

⁶ It is not specified in the latest proposal, if the proposed amount is in current or 2011 prices. If it is in 2011 prices then it constitutes a decrease of 21% to the initial proposal.

2. First rounds of concluding phase talks

Already before the 22-23rd November 2012 Summit [expectations were lowered](#)⁷ that an agreement could be found, as firm battle lines had been drawn before the Summit. Even though the Council's president Van Rompuy tried to mediate between the [opposing camps](#)⁸, his [renewed proposal](#) did not bring about a deal.

Figure 1: New Phases of MFF discussions



Thus ultimately the negotiations ended without an agreement, though heads of state and government still left Brussels with [more confidence](#) than they had when they arrived that a deal is possible in early 2013.

As the MFF discussions need to move to the legislative phase in early 2013 in order for the framework to enter into force from the 1st of January 2014 onwards, there is the need to have a second budget summit early next year as shown in Figure 1. Otherwise the EU runs the risk of repeating the 2013 budget ceiling plus inflation for the next period of 2014-2020. This would be harmful to many member states of both camps. Countries in need for cohesion spending e.g. could not rely on funding, [as billions of euros would be put on hold at the end of 2013, due to the delayed legislative procedure](#)⁹. The net contributors would have to pay more, as the 2013 budget ceiling plus inflation would exceed most of their current MFF negotiation positions. Germany, Netherlands and Sweden would additionally lose their rebate, since it is not guaranteed as the British one.

In order to have a robust budget for the EU in 2014-2020, policy makers have to be willing to compromise – however, this should not burden one policy area disproportionately. In any way it has to be ensured that money is spent most effectively with the greatest possible gains for the whole of Europe. Europe must not forget its role in the world and should invest wisely to strengthen its international position in an era when global challenges have a direct impact on the EU and its citizens.

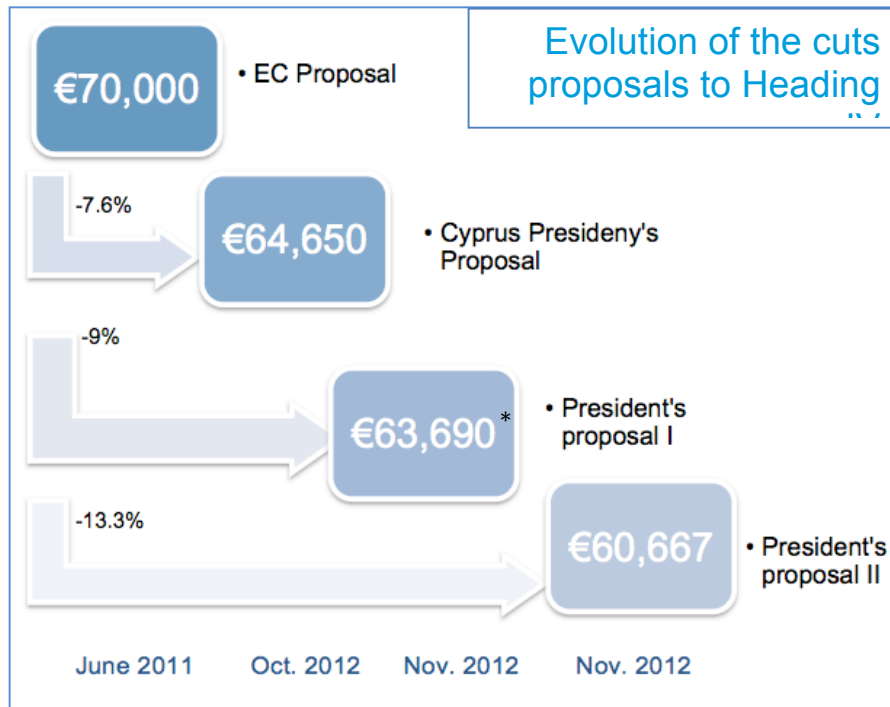
⁷ EUobserver. 2012. Merkel sceptical EU budget deal will be reached. Retrieved 23 November <http://euobserver.com/tickers/118298>

⁸ Mayer, L. and Sherriff, A. 2012. 'Friends of Development' can defend assistance in the future EU budget. ECDPM Talking Points Blog, 16 October 2012. Retrieved <http://www.ecdpm-talkingpoints.org/friends-of-development-can-defend-assistance-in-the-future-eu-budget/>

⁹ Chaffin, J. 2012. EU budget: the Trillion-euro split. Retrieved 20 November <http://www.ft.com/intl/cms/s/0/4b031102-3260-11e2-ae2f-00144feabdc0.html#axzz2Cq7E5IVp>

3. Evolution of cuts

Figure 2



* Actual amount for Heading IV, if Emergency Aid Reserve is not included

The direction of the different proposals, especially the one put forward by EU Council President Herman van Rompuy, shows a **clear trend towards substantial cuts**, particularly to Heading IV. Already in the previous proposals by the Cyprus Presidency and the first van Rompuy proposal, "Heading IV" for "Global Europe", which includes external support and important development spending tools such as the Development Cooperation Instrument (DCI), the Instrument for Stability (IfS) and the European Neighbourhood Instrument (ENI), had to face proportionally the biggest cut of all headings¹⁰. Contrary to Cohesion funding and the Common Agricultural Policy, development funding did not have a vocal group of defenders at the top table.

Initially the European Commission proposed €70 billion for Heading IV¹¹ (Figure 2). More than 1 year after this proposal, the Cyprus Presidency introduced new figures¹² reflecting the on-going discussion in October 2012. Numerous countries had voiced their concern about the Commission's proposal being too high in times of crisis. Net contributors are particularly asking for cuts to the EU budget, opposed to the so-called 'Friends of Cohesion' - mainly comprised of net beneficiaries - who defend the Commission's proposal. The Cyprus Presidency proposed a €50 billion reduction¹³ from the initial proposal, with Heading IV being cut by 7.6% to €64.6 billion. **Proportionally, this was the biggest cut compared to all other headings.** The Cyprus negotiation box stimulated a heated debate and more countries openly took a firm stand in the

¹⁰ Krätke, F. and Mayer, L. 2012. Budget hawks circling EU development aid. ECDPM Talking Points Blog, 7 November 2012

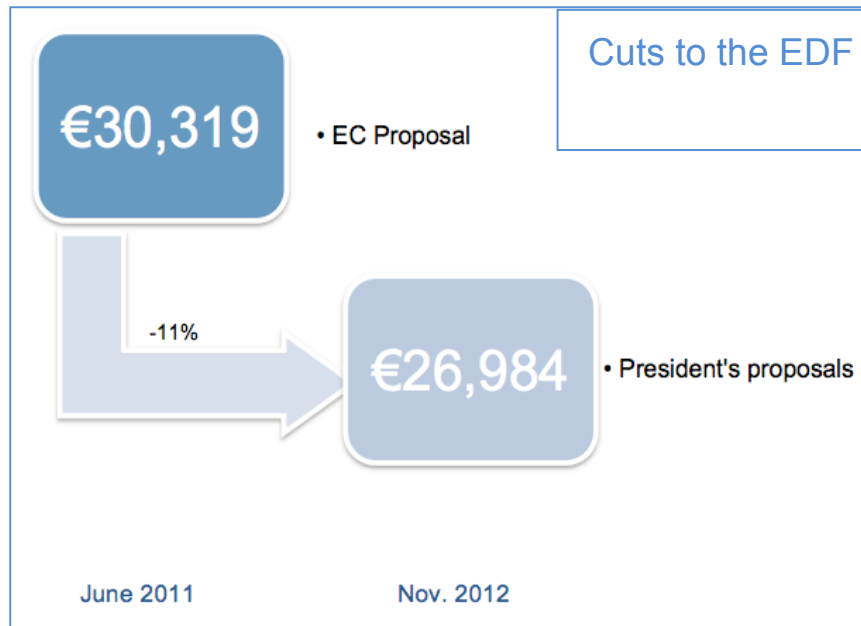
¹¹ COM(2011) 500 final. 29.6.2011. Retrieved 29 November: http://ec.europa.eu/health/programme/docs/maff-2020_en.pdf

¹² Council of the European Union – Note from the Presidency to Permanent Representative Committee/Council – Multiannual Financial Framework (2014-2020) Negotiating Box, Brussels, 29 October 2012, [15599/12](http://www.cy2012.eu/index.php/el/file/7iV7gepKq3D2nxXo9+AUZw==). <http://www.cy2012.eu/index.php/el/file/7iV7gepKq3D2nxXo9+AUZw==>

¹³ Cyprus Presidency. 2012. Communication from the Presidency to the Council on the Multiannual Financial Framework (2014-2020)- Negotiating box. Brussels: Council of the European Union. Retrieved 30 November <http://www.cy2012.eu/index.php/el/file/7iV7gepKq3D2nxXo9+AUZw>

discussions. As positions seemed to be moving apart, Herman van Rompuy issued a [reversed negotiation box](#)¹⁴ that served as the basis for the November summit and a possible compromise.

Figure 3



The overall [€75 billion cut](#)¹⁵ compared to the Commission's proposal **was seen by many countries as a step in the right direction**, however for some net contributors the [cuts still did not go far enough](#)¹⁶. The overall amount for Heading IV was increased to €65.6 billion, however the prior off-budget Emergency Aid Reserve (EAR) item was now included into Heading IV. The amount available for the financial instruments is actually €63.7 billion, compared to the initially proposed €70 billion. This represents a **9% cut from the initial proposal of the Commission**. Additionally, also the **European Development Fund (EDF) was cut**. The initial proposal by the Commission for the 11th EDF was €30.3 billion in June 2011. Van Rompuy proposed a decrease of 11% to €26.9 billion (Figure 3). This reduction now means that the EDF is close to a [“zero growth scenario”](#)¹⁷

[The second proposal](#)¹⁸ (22 November) of van Rompuy saw further cuts to Heading IV. In the latest proposal a **13.3% reduction to €60.7 billion was introduced**. The overall amount of the 11th EDF (€26.9 billion) was kept unchanged from his first proposal.

The cuts to specific EU financial instruments and thematic and geographic programmes for development remain to be negotiated. This will have implications for the Commission and the European External Action

¹⁴ Van Rompuy, H. 2012. Proposal for a Council Regulation laying down the financial framework for the years 2014-2020. Brussels: European Council. November 15. Retrieved 17 November <http://www.euractiv.fr/documents/2271/proposition-budget-2014-2020-van-rompuy.html#document/p1>

¹⁵ Euractiv. 2012. Van Rompuy tables €950-billion budget proposal. Retrieved 17 November from: <http://www.euractiv.com/euro-finance/van-rompuy-tables-950-budget-pro-news-516056>

¹⁶ Euractiv. 2012. Cameron gives no ground crunch before the summit. Retrieved 22 November: <http://www.euractiv.com/future-eu/cameron-gives-ground-crunch-summ-news-516203>

¹⁷ Kilnes, U. 2012. Briefing Note 35: Billions less for development? Analysing drivers and consequences of possible 'zero growth' scenarios for the 11th European Development Fund 2014 – 2020. (ECDPM Briefing Note 35). Maastricht: ECDPM

¹⁸ Van Rompuy, H. 2012. [Second] Proposal for a Council Regulation laying down the financial framework for the years 2014-2020. Brussels: European Council. November 22 <http://static.euractiv.com/sites/all/euractiv/files/MFF_Van_Rompuy_Paper_II_Draft.pdf>

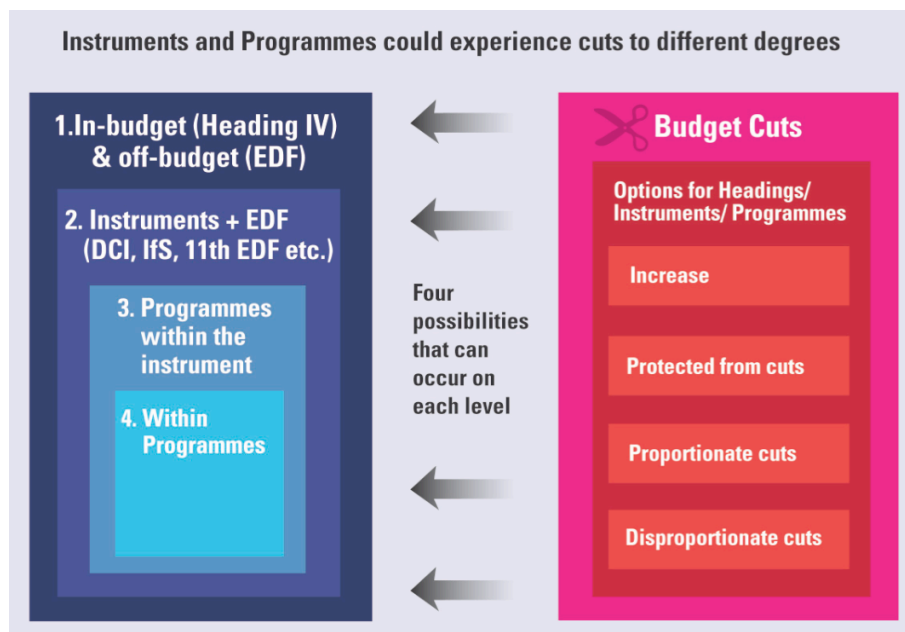
Service who are currently in the process of [programming](#)¹⁹ EU development instruments and attempting to [differentiate](#)²⁰ levels and types of aid to partner countries.

4. Options for cuts at different levels and their level of impact

Heading IV is the only Heading that has not been 'unpacked' in the recent negotiations. In all the other headings the different instruments and programmes already have been at least partially assigned a specific amount. Therefore it is prudent to speculate what the different possible cuts for Heading IV could be. There are basically four different options that can happen on different levels, as also illustrated in Figure 4:

- **Disproportionate cuts** ↓↓
- **Proportionate cuts** ↓
- **A protection from cuts** ❖
- **Or an increase** (*highly unlikely but still a possibility*) ↑

Figure 4



These four options can again be applied on different levels. **Whereas it is unlikely that at the level of Heading IV there would be no cuts or even an increase, this is different for the lower levels inside the Heading.** On the level of the instruments it is possible that one instrument would experience an increase at the expense of another instrument. Other instruments might be left untouched and therewith protected from cuts. For the programme level, the same options apply. Furthermore, possible cuts at one level affect the levels below, as will be explored further on. This leaves a lot of room for heated discussions in the coming weeks. Whereas in the overall MFF discussions development stakeholders fought with one voice to protect external spending in general, now this alliance could turn into a real battle, as **development stakeholders have to defend their individual interests**, when it comes to the distribution of cuts within Heading IV. While there is a justifiable fear about "opening Pandora's box" to bring negotiations and protection of interests down to this level, it would be naïve to think that those close to the negotiating process do not make exactly these types of calculations.

¹⁹ Goertz, S. and Keijzer, N. 2012. Reprogramming EU development cooperation for 2014-2020: Key moments for partner countries, EU Delegations, member states and headquarters. ECDPM Discussion Paper No. 129. Maastricht: ECDPM.

²⁰ Keijzer, N., van Seters, J., Lein, B., Krätke, F. and A. Montoute. Differentiation in ACP-EU cooperation: Implications of the EU's Agenda for Change for the 11th EDF and beyond. ECDPM Discussion Paper 134, October 2012

4.1. Options and dilemmas for negotiators

As mentioned in the previous section, there are four options for negotiators to choose from in terms of them pushing their agenda. Table 1 outlines the breakdown of Heading IV. Similar tables are being used by negotiators to inform their position and at the same time get a detailed overview, of what this means for the Heading as a whole and its instruments and programmes. **It is important for them to explore the effects of their policy choices.** That the EP amended some of the proposed figures by the Commission shows how complex these negotiations are, as numerous stakeholders with different interests are involved.

An overall 13.3% cut to the Heading IV would mean a reduction to €60.7 billion from the initial €70 billion. Thus, the different instruments and programmes under this heading would have to compensate for an almost €10 billion reduction. **The first option would be that a similar slice is taken away from every heading element.** Countries that are not that involved in development spending would probably welcome this option, as they have other budget priorities to focus on in the negotiations. However, at the level of the instruments this would not be an approach welcomed by people working or with an interest in specific instruments or programmes, as they will want to defend those instrument/programme as much as possible from cuts. As shown in Table 1 a 13.3% reduction would mean for the DCI for example that it would be cut by €3.1 billion, where geographic as well as thematic programmes would decrease from €13.9 billion to €12.1 billion and from €6.3 billion to €5.5 billion respectively. Defenders of the programme, however, would protect it on the ground of its objectives, regardless of its size. For the [IFS](#)²¹ a proportional 13.3% cut would mean that the overall available amount would decrease from €2.83 billion to €2.45 billion, where the long-term element would decrease from €0.99 billion to €860 million and the short-term element would decrease from €1.83 to €1.59 billion. **While the long-term component is important and very useful ECDPM has in the past argued that it is the rapid deployment of the short-term component that is the added value of the instrument.**

The other option is to spread the overall 13.3% cut to the heading differently among the instruments and programmes. **This could mean that some instruments or programmes will be affected more than others.** Thus larger instruments could be target of further or higher cuts. This in turn would also affect the individual programmes within the instruments differently.

[The EDF](#)²², the EU's main aid instrument for the African, Caribbean and Pacific (ACP) countries, which according to the proposals will remain outside the budget for the next MFF, also had to face cuts. According to the latest van Rompuy proposal the **EDF would be cut by 11% to €26.9 billion from the initial €30.3 billion proposed by the Commission in 2011.** Within this instrument the biggest share is the ACP funding, which accounts for 94% of this instrument's spending. A smaller amount is spent on OCT. As some countries want to focus EDF spending on the poorest countries, the **OCT spending could be a logical target of further cuts**, as it mostly benefits middle-income countries. Whether any cuts would be divided at the level of programmes within the EDF proportionally or not remains to be seen.

The Commission proposed for the Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Pre-Accession and Partnership Instrument of Heading IV to include an earmarked amount of €1.8 billion in total (Table 1) to promote the international dimension of higher education. Here **there would be room to manoeuvre** as well, as it is not specified in any way, how big the share would be for the different instruments. It can be expected that discussions will be intensified as soon as a proposal for a further breakdown of Heading IV will be provided with a distribution across instruments and programmes. Table 1 present possible distributions of cuts that could be considered by negotiators, from the Heading level down to the instrument and programme level.

²¹ Görtz, S. and A. Sherriff. 2012. 1st Among Equals? The Instrument for Stability and Conflict Prevention and Peacebuilding in the EU's new financial perspective. (ECDPM Briefing Note 39)

²² Kilnes, U., N. Keijzer, J. van Seters and A. Sherriff. 2012. Briefing Note 29: More or less? A financial analysis of the proposed 11th European Development Fund (ECDPM Briefing Note 29). Maastricht: ECDPM

Table 1: 13.3% cut applied to the DCI, IfS, ENI, EIDHR, IPA, PA proposal by the EC and the EP's amendment²³

Legend:

- ↑ An increase
 ✧ A protection from cuts
 ↓ Proportionate cuts
 ↓↓ Disproportionate cuts
 All Figures are in Billions of €

<i>Instrument/Programme</i>	<i>Original EC proposal</i>	<i>EC proposal minus 13.3% cut</i>	<i>EP amendment to EC proposal²⁴</i>	<i>EP amendment to EC proposal minus 13.3% cut</i>	<i>Options for negotiators to choose from</i>
Development Cooperation Instrument²⁵	23.29	20.2	23.29²⁶	20.2	↓↓↓ ↓ ✧ ↑
Geographic programmes	13.99	12.1	14	12.1	↓↓↓ ↓ ✧ ↑
Thematic programmes	6.30	5.5	5.96	5.7	↓↓↓ ↓ ✧ ↑
- Environment and climate change	2	1.73	1.49	1.29	↓↓↓ ↓ ✧ ↑
- Sustainable Energy	0.80	0.69	0.76	0.66	↓↓↓ ↓ ✧ ↑
- Human development	1.26	1.1	1.49	1.3	↓↓↓ ↓ ✧ ↑
- Food security and sustainable agriculture	1.79	1.55	1.8	1.5	↓↓↓ ↓ ✧ ↑
- Migration and asylum	0.45	0.39	0.42	0.37	↓↓↓ ↓ ✧ ↑
CSO and Local Authorities thematic programme	2	1.7	2.33	2.02	↓↓↓ ↓ ✧ ↑
Pan-African programme	1	0.86	1	0.87	↓↓↓ ↓ ✧ ↑

Different options can be applied to the individual levels

²³ This table is based on the European Commission's proposal for the individual instruments and programmes, the available Draft Reports and Amendments by the European Parliament. The proposed 13.3% cut is applied to the available proposed amounts to make the implication of the cut visual.

²⁴ We have converted percentages given in some of the draft regulations into figures based on the total amounts included in the original EC proposals

²⁵ http://ec.europa.eu/europeaid/how/finance/documents/prop_reg_instrument_dev_coop_en.pdf

²⁶ <http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&reference=PE-491.264&format=PDF&language=EN&secondRef=01>

Instrument for Stability²⁷	2.83	2.45	2.83²⁸	2.45	↓ ↓	↓	❖	↑
Long term	0.99	0.86	0.85	0.74				
- Assistance for conflict prevention, crisis preparedness and peace-building								
- Assistance in addressing global and trans regional threats								
- (a) Thematic Strategy Papers and Multiannual Indicative Programmes;								
Short term component	1.83	1.59	1.98	1.72				
- Assistance in response to situations of crisis or emerging crisis to prevent conflicts								
- (b) Exceptional Assistance Measures and Interim Response Programmes								
(c) Annual Action Programmes and Individual Measures;								
(d) Special Measures								
European Neighbourhood Instrument²⁹	18.18	15.76	18.18³⁰	15.76	↓ ↓	↓	❖	↑
Cross-Border Cooperation programmes	0.91	0.79	1.27	1.1				
Bilateral programmes covering support to one partner country								
Multi-country programmes								
European Instrument for Democracy and Human Rights³¹	1.58	1.37	1.58³²	1.37	↓ ↓	↓	❖	↑
Grants to finance most difficult conditions or situations of up to ??								
Grants through simplified calls for proposals and easily accessible to local organisations for up to ??								
Instrument for Pre-Accession³³	14.11	12.23			↓	↓	❖	↑
Cross-border cooperation programmes	0.42	0.37						
Partnership Instrument³⁴	1.13	0.98			↓	↓	❖	↑

Different options can be applied to the individual levels

Different options can be applied to the individual levels

²⁷ http://ec.europa.eu/world/enp/docs/2011_prop_com_ext_instruments_en.pdf

²⁸ http://www.europarl.europa.eu/meetdocs/2009_2014/documents/afet/am/905/905169/905169en.pdf

²⁹ http://ec.europa.eu/world/enp/docs/2011_prop_eu_neighbourhood_instrument_reg_en.pdf

³⁰ <http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&reference=PE-491.118&format=PDF&language=EN&secondRef=01>

³¹ http://ec.europa.eu/europeaid/how/finance/documents/prop_reg_instrument_promotion_democracy_humand_rights_en.pdf

³² <http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&reference=PE-491.263&format=PDF&language=EN&secondRef=01>

³³ http://ec.europa.eu/europeaid/how/finance/documents/prop_reg_instrument_pre-accession_assistance_en.pdf

³⁴ http://ec.europa.eu/europeaid/how/finance/documents/prop_reg_partnership_instrument_en.pdf

All amounts noted in the table above in billions of euros at current prices. Whereas the original proposal for an EC Budget for Europe 2020 was presented in constant prices, as were the proposals by Van Rompuy, the proposed regulations for the financial instruments under Heading 4 and the internal agreement of the EDF as presented by the Commission in December 2011 were noted in current prices. For the purpose of comparison, we have applied the cut of 13.3%, derived from the proposals in constant prices, like-for-like to the amounts proposed for the Heading 4 instruments and the EDF in current prices.

Table 2: 11% cut to the EC proposal for the EDF

	<i>Original EC proposal</i> ³⁵	<i>EC proposal minus 11% cut</i>						
European Development Fund	30.3 ³⁶	26.9 ³⁷						
ACP								
National and regional indicative programmes								
Intra-ACP and inter-regional cooperation								
Allocated to the EIB to finance the Investment Facility								
OCT								
Territorial and regional programmes								
To EIB to finance interest subsidies and technical assistance								
Programming & implementation of the EDF								

³⁵ European Commission, A Budget for Europe 2020, Brussels, 29.6.2011 COM(2011) 500 final http://ec.europa.eu/budget/library/biblio/documents/fin_fw1420/MFF_COM-2011-500_Part_I_en.pdf

³⁶ http://ec.europa.eu/budget/library/biblio/documents/fin_fw1420/MFF_COM-2011-500_Part_I_en.pdf

³⁷ http://static.euractiv.com/sites/all/euractiv/files/MFF_Van_Rompuy_Paper_II_Draft.pdf

5. Implications of cuts

At the macro level ECDPM has repeatedly argued that promoting development should go “[beyond aid](#)”³⁸ to take on issues such as policy coherence for development, trade and domestic resource mobilisation. Yet well-managed and -programmed development cooperation, adhering to key principles as aid effectiveness and aware of learning in the development sector, could still make an important contribution to the EU’s development objectives.

With the different options at the diverse levels, the question remains what implications any overall budget cut will have for the individual instruments and programmes for external action and ultimately on development progress. There is no easy answer to this question, however as it is certain that there will be cuts it is important to find ways to cope with them and be clear about the trade-offs that are being made. One policy that is already being discussed is [differentiation](#)³⁹. If less money is available it becomes even more important to focus this money where it is most needed, which some argue means focussing on low-income countries. This potentially has the effect of a whole new structure of development spending, as many countries could possibly be graduated from EU development funding. Consequently, such initiatives will still be discussed in the following weeks and month. As [programming](#)⁴⁰ has already started at many levels, those with a particular interest in specific programmes will look to defend the spending levels in order to be able to carry out their activities. It would be important to have concrete figures soon, as the programming could be significantly hampered by the insecurity of how the cuts will fall. So it can only be hoped that by the end of February 2013 a definitive and development friendly budget can be agreed upon.

If cutting Heading IV and the 11th EDF significantly becomes a reality, the EU may have to ultimately wave goodbye in the future to its most favoured quoted factoid of the “[EU being the world’s largest aid donor](#)”⁴¹. This is not only because of the direct affects of cuts in the EU MFF but rather the larger implications it may have in terms of aid being cut. Yet the longer-term damage to development gains and the credibility of the EU as a trusted global player who keeps its word will have more impact than the loss of a PR line. Time is running out for the silent defenders of development who are part of the negotiations to act to protect development spending. If the current proposed level of cuts is maintained or increased further then in the inevitable “post mortem” those who claimed to be protecting development but did not act may well be named and shamed.

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³⁸ Keijzer, N and A. Sherriff. 2012. Aid and beyond. 3 ways to promote development in an economic downturn. ECDPM Talking Points Blog, 2 June 2012. <http://www.ecdpm-talkingpoints.org/aid-and-beyond-3-ways-to-promote-development-in-an-economic-downturn%E2%80%A6/>

³⁹ [http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/10A821BDF8EB2512C1257A9C004F5C37/\\$FILE/DP-134_Differentiation in ACP-EU Cooperation - Final 11102012 clean \(1\).pdf](http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/10A821BDF8EB2512C1257A9C004F5C37/$FILE/DP-134_Differentiation%20in%20ACP-EU%20Cooperation%20-%20Final%2011102012%20clean%20(1).pdf)

⁴⁰ [http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/935819B4062CF4E6C1257A28007AAD77/\\$FILE/DP129_Reprogramming EU dev coop_April12.pdf](http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/935819B4062CF4E6C1257A28007AAD77/$FILE/DP129_Reprogramming%20EU%20dev%20coop%20-%20April%2012.pdf)

⁴¹ European Union. (n.d.). Development and Cooperation. Retrieved 29 November http://europa.eu/pol/dev/index_en.htm