



**COUNCIL OF
THE EUROPEAN UNION**



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Council reaches political agreement on financing instrument to provide EUR 17 billion for development cooperation

The Council today¹ reached political agreement on the content of a draft regulation aimed at establishing a financing instrument for development cooperation for the 2007-2013 period. (13635/06)

Creation of the development cooperation instrument (DCI) will allow renewal of one of the European Community's most important tools for funding its development cooperation activities, with almost EUR 17 billion for the 2007-13 period. These funds (previously decided) come in addition to EUR 22.7 billion agreed specifically for African, Caribbean and Pacific (ACP) countries over the 2008-13 period, bringing the total - not including member states' national contributions - to almost EUR 40 billion in new Community funding.

¹ The decision was taken by the General Affairs and External Relations Council, without discussion.

P R E S S

Interventions are planned at two mutually-reinforcing levels. The first is geographic, covering Asia, Central Asia, Latin America, the Middle East and South Africa, the second thematic, enabling regional programmes to be reinforced in response to specific needs, such as migration, education, and health. ACP countries can also benefit from the thematic programmes, and a specific amount is earmarked for ACP countries that need assistance in adjusting to the effects of the EU's sugar sector reform.

Moreover, the DCI allows for a simplified system by replacing a series of existing instruments by a single financing instrument, enabling all EU interventions to be decided on the basis of the same principles and to follow a simpler decision-making procedure.

A common position on the draft regulation will be adopted by the Council without delay and forwarded to the European Parliament for a second reading under the Parliament-Council co-decision procedure. The aim is to ensure that the regulation is signed in December and can enter force on 1 January 2007, at the start of the new financing period.

The DCI is part of a new framework for planning and delivering assistance in order to make EU's external assistance more effective. The framework also includes:

- an instrument for pre-accession assistance to candidate countries and countries that are potential candidates for membership of the EU;
- a European neighbourhood and partnership instrument;
- an instrument for industrialised and other high-income countries and territories;
- a financing instrument for the promotion of democracy and human rights worldwide;
- an instrument for stability.