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A Budget to Underpin European Global Ambition in the Next Seven Years

A Brief on the Ongoing Negotiations of the Multiannual Financial Framework 2021-2027 of the European Union and its Implications for EU's External Action

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Summary

On February 20-21, the Heads of State or Government of the European Union began the last phase of negotiation of the EU's Multiannual Financial Framework 2021-2027, the Union's seven-year budget. Although that European Council made little progress—a long tradition at this stage of negotiations within the EU—discussions focused on the proposed reductions in structural funds and the funds to support the Common Agricultural Policy, and the resulting net balance of funds for each of the member states. Funds for external action, which in the initial proposal by the European Commission were set to be substantially increased, in particular for the Neighborhood and sub-Saharan Africa, were limited to a marginal increase of around 4%, in the most recent proposal from the EU Council Presidency. It is unlikely that the amounts for external action will be revised again significantly in the rest of the negotiation process. As things stand, there are legitimate doubts whether the budget proposals discussed so far are up to the ambitions of EU as a global player at a time when this is most needed. The coronavirus epidemy may prompt EU leaders to reach a quick agreement, but it also runs the risk of rendering Europe more self-centred and less interested in global affairs and detract financial resources to address internal challenges and the impending economic recession.

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A Complex Negotiation on a Seven-Year EU Budget

This is no doubt the most important of all European Union negotiations, where the size of appropriations and the distribution of EU funds for the next seven years is decided, over which each and every EU country has a veto right. In all media reports about the European Council of February 20-21, 2020, in Brussels two aspects were salient: the EU's role as a global player, and therefore the budget for the external action of the EU, was conspicuously absent from the debates, as was a holistic vision of what the EU's shape should be in a few decades time. The €75 billion gap in budgetary resources caused by the exit of the United Kingdom puts additional stress on these negotiations (and makes intertemporal comparisons more difficult).

The relative size of EU budget under negotiation is limited: slightly above 1% of EU gross national income (GNI) per year, and little more than 2.1% of total public spending by member states. But the absolute figures are huge, as shown in Table 1, which provides an overview of the structure of the 7-year budget of the EU (known as Multiannual Financial Framework -MFF) and compares the last of the proposals submitted by the European Council Presidency on February 14, 2020 (discussed by the Heads of State or Government in Brussels a week later) and the expenditures under the current MFF for 2014-2020.

Table 1: Structure of the Multiannual Financial Framework 2021-2027 as proposed by the European Council Presidency in February 2020, and comparison with the MFF 2014-2020

Commitment appropriations by heading or policy cluster (in billion euros at current prices) (in parenthesis, the corresponding budget programs)	**MFF 2014-2020 (EU27+EDF)***	**MFF 2021-2027 (Proposal of the European Council Presidency 14/02/2020)**
TOTAL COMMITMENT APPROPRIATIONS	1,061.9	1,094.8
I. Single Market, Innovation and Digital (1. Research and Innovation, 2. European Strategic Investments, 3. Single Market, 4. Space)	114.5	149.5
II. Cohesion and Values (5. Regional Development and Cohesion, 6. Economic and Monetary Union, 7. Investing in People, Social Cohesion and Values)	380.7	380.1
III. Natural Resources and Environment (8. Agriculture and Maritime Policy, 9. Environment and Climate Action)	391.9	354.1
IV: Migration and Border Management (10. Migration, 11. Border Management)	9.9	21.9
V. Security and Defense (12. Security, 13. Defense, 14. Crisis Response)	1.9	14.3
VI. Neighborhood and the World (15. External Action, 16. Pre-accession Assistance)	93.4	101.9
VII. European Public Administration	69.6	73.1

* Estimates made in 2018 by the European Commission removing UK share of expenditures and adding the expenditures under the European Development Fund (EDF), managed separately until 2020.

There are also a number of additional financial instruments which fall outside the MFF ceilings, and as such are not part of the ongoing negotiations. The total budget allocated to them in the MFF 2021-2027 proposals amounts to €26 billion.[1]

Beyond these big figures with a relatively small total size (a hundredth of EU GNI), the EU budget has a crucial importance for some specific interest groups within and outside the European Union, for which the MFF resources do make a big difference:

- European farmers, who thanks to agricultural subsidies (over 35% of the total EU budget in the current period, 2014-2020) can sustain their income levels (see budget program 8 in Table 1);
- Poorer EU regions, who receive the bulk of Structural and Cohesion Funds to fund infrastructure or social projects (amounting to another 35% of the total EU budget in 2014-2020; see programs 5 and 7 in Table 1);
- EU (and third-country) researchers, who benefit from research funds from the Horizon 2020 program; in many countries, this is the only or in any case the most important source of sustained and substantial funds to support research (see program 1 in Table 1);
- Poorer countries, which benefit from EU development assistance (program 15 in Table 1: the European Union is the biggest global donor, providing, jointly with its member countries, 57% of global international development assistance, or about €74 billion in 2018).

Regardless of the real interests at stake, the political significance of these negotiations for national politics in many EU countries is hard to exaggerate: whatever the size of the amounts involved, the net balance of contributions and funds received from the EU budget, and the capacity of national leaders to defend national interests and specific interest groups, are of significant important to their political image among their constituencies. Lobbying from interest groups such as farmers and regions is intense. This has led recurrently to exhausting negotiations, often resolved only in the last moment, typically after several sleepless nights in Brussels. To make negotiations even more complex, the MFF 2021-2027 must accommodate a set of new priorities defined by the European Commission and the Council, in order to respond to major global challenges: the European Green Deal to fight climate change, the Digital Agenda, migration and border management, strengthening EU defense and security policy, youth policy, and the EU's foreign policy).

Against this background, the first detailed MFF 2021-2027 proposal, published in May 2018 by the European Commission[2], foresaw a level of appropriations of 1.11% of EU GNI over the period, against 1.16% of EU GNI spent under the current MFF 2014-2020, i.e. a modest increase of 4.8% in constant 2018 prices.[3] Twenty-one months later, and after nine formal meetings of the European Council (six of which discussed the MFF), the leaders met on February 20-21 for the first full-fledged dedicated negotiation. They failed to reach an agreement on the basis of the revised proposal circulated by the President of the European Council, Charles Michel.[4] In the meantime, in December 2018, the European Parliament proposed a bigger EU budget[5] (an increase of the total EU expenditure to 1.3% of EU GNI per year "in order to ensure the necessary level of funding for key EU policies that will enable them to fulfil their mission and objectives"), and Finland, which held the rotating Presidency of the Council in the second half of 2019, prepared the ground for final negotiations with a 'negotiating box' (basically a table with all major budget headings for the 7 years budget) circulated in December 2019[6].

For laymen, the above-mentioned functional approach proposed by the European Parliament to justify its proposal would seem to make sense: to define the policies and competences of the EU and then to "give ourselves the means to match our ambitions and [...] provide the Union with the means necessary to attain its

1. Emergency Aid Reserve, EU Solidarity Fund, European Globalisation Adjustment Fund, Flexibility Instrument, European Investment Stabilisation Function, and the new European Peace Facility.

2. Communication form the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Council and the Committee of the Regions COM(2018)321 final, "A Modern Budget for a Union that Protects, Empowers and Defends. The Multiannual Financial Framework for 2021-2027", https://eur-lex.europa.eu/legal-content/EN/TXT/DOC/?uri=CELEX:52018DC0321&from=EN.

3. All calculation of percentage increases in constant 2018 prices made in this policy brief are based on figures published by the European Parliament in February 2020. (https://www.europarl.europa.eu/resources/library/media/20200218RES72887/20200218RES72887.pdf)

4. https://drive.google.com/file/d/1UJUfO4kbV9-olQqsMPSls89lG2jnXV4t/view.

5. See https://www.europarl.europa.eu/doceo/document/TA-8-2018-0449_EN.html.

6. https://www.consilium.europa.eu/media/41630/st14518-re01-en19.pdf.

objectives and carry through its policies", as stated by the Heads of State or Governments themselves in the Sibiu Declaration, adopted after a meeting held in May 2019 to discuss the future of the European Union. But once actual negotiations were launched both terms of the equation, the ambitions and policies on the one hand and the budget on the other, seem to be defined independently. The multiplicity of crisscrossing interests and cleavages between member states (and EU institutions) make it difficult to make sense of the negotiations, which often turn more around aggregate amounts, increases for this or that program, net contribution or balances for each member state, and the claims of specific interest groups, rather than around alternative visions of the EU's role and shape and its policies. In any case, for the general public, negotiations are difficult to understand and are thus easily subject to political manipulation. Analysts have highlighted the bureaucratic incongruence of so much effort wasted to negotiate when the difference between the highest and the lowest proposals is a mere 0.3% of EU GNI per year.

The two main camps at this stage are the so-called 'frugal States' (net contributing countries including the Netherlands, Sweden, Denmark, Austria, and to a lesser extent, Finland, and Germany), which advocate a reduction of the EU budget to 1% of EU GNI, and the so-called 'Friends of Cohesion' (17 countries: Bulgaria, Cyprus, Czechia, Croatia, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, and Spain, plus France for agricultural funds), which defend the maintenance of agricultural and cohesion funds at their current levels (in the last proposal circulated by the European Council Presidency on the 14 February, these were cut by 14% and 12% respectively, in constant 2018 prices). So far, the two camps have not reached an agreement, and EU observers have already started to discuss the implications of not managing to approve the MFF 2021-2027 for a European Union already going through a deep identity crisis. Indeed, the European Commission has warned about delays in programming the new external financial instruments, which would be caused by delays in approving the MFF. MFF negotiations have a long tradition of tortuous and complex processes,[7] and it is not very probable that EU leaders will incur into the risks and uncertainty of leaving the EU without budget at a moment when economic activity is slowing down into another recession and the coronavirus epidemy is making ravages in economy and society and requires an European response. But the coronavirus crisis also runs the risk to render Europe more self-centred and less interested in global affairs, and detract financial resources to address internal challenges and the impending economic recession. Once (and if) the European Council reaches a consensus (negotiations are due to formally resume in early April 2020, and should end at the latest in the second semester of 2020), the European Parliament must still approve the budget, though it has never so far pushed the nuclear button of withholding its approval.

But aside from the dynamics of the negotiation process, there is a clear pattern in the development of EU ways and means over the long term which raises important questions about the European project. The European Union is expected to tackle more and more challenges and take on more areas of competence with stagnating or reduced budgetary resources. This more-for-less rationale can be seen clearly in the 2021-2027 MFF negotiations: the total size of EU budget has gone down from 1.25% of EU GNI in 1993-1999, after the signing of the Maastricht Treaty, to 1.16% of EU combined GNI in 2014-2020. The indications are that it will be slightly over 1% of GNI for the next period (see Table 2).

Budgetary Resources for EU External Action

One of the main budget lines in the proposed EU MFF is for EU External Action (program 15), with the aim of projecting the EU's interests, policies and values to the rest of the world. This amounts to around 8% of total proposed EU budget (9.3% if we add the pre-accession assistance to EU candidate countries, program 16, which is also part of the Neighborhood and the World heading, the total amount of which has been reduced in the last proposal of the European Council Presidency to €11.36 billion, down from €12.8 billion in the MFF 2014-2020). The External Action budget covers development assistance to neighborhood countries and poorer countries worldwide (geographic and thematic programs for a total amount of €64.4 billion in the last proposal of February 14 2020 of the EU Presidency), humanitarian aid (€9.76 billion), appropriations for Common Foreign and Security Policy (€2.4 billion), and support for overseas territories of member states (€444 million). The new MFF

7. A description of the process with links to key documents can be found at: https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/631732/EPRS_BRI(2020)631732_EN.pdf.

would also include a substantial €9 billion 'Emerging challenges and priorities cushion' to "address unforeseen circumstances, new needs or emerging challenges, like crisis and post-crisis situations or migratory pressure, or promote new Union-led or international initiatives or priorities"[8], and a €3 billion Rapid Response fund. These External Action funds are supposed, in particular, to make possible the implementation of the 2030 Agenda for Sustainable Development, the Paris Climate Agreement, the EU Global Strategy, the European Consensus on Development, and the European Neighborhood Policy, as well as the external dimension of migration, including the Partnership Framework on migration with third countries.

In this regard, the EU High Representative for the EU External and Security Policy (and Vice-President of the European Commission), Josep Borrell, recently wrote that "we have to think big and use our policies in the field of trade, innovation, climatic change, cyberspace, security, investment and migration to substantiate our rhetoric on our willingness to be a partner on equal terms" with Africa.[9] But the negotiations on the 2021-2027 MFF have once again highlighted the mismatch between the EU's level of ambition as a global player—and its almost ontological desire to play all games on all game boards worldwide—and the resources its member states are willing to provide.

Traditionally, the budget for EU External Action has not been the object of big arguments between member states, even if the differences in approach and (both geographic and thematic) priorities are enormous.[10] In its May 2018 proposal, the European Commission suggested a 9.2% increase at constant 2018 prices in the External Action budget to maintain its more than 4,200 European External Action Service (EEAS) officials deployed worldwide in its more than 140 EU Delegations delegations and offices. The proposed increase was even higher for funds earmarked for development assistance instruments, and in particular for programs for the Neighborhood and sub-Saharan Africa (which as priority regions absorb 60% of total funds for geographical programs). At the end of 2018, the European Parliament proposed a further increase of €3.5 billion in appropriations for External Action over the period "to further contribute to the financing of an investment plan for Africa". But subsequent proposals from the Finnish Presidency and the European Council Presidency have readjusted the final amount downwards (Table 2). These cuts do not seem to respond to different visions of the role of the EU in the world, or the operation of EU External Action, but they are rather the side-product of negotiations between member states in relation to other, for them politically more important, items (notably structural and agricultural funds as discussed above), reducing the proposed increase to 4.1% in real terms (5.4% for development assistance). Third countries benefitting from development assistance, and with which the European Union has Partnership or Association agreements, do not play any role in this process of deciding available funds for development assistance.

Table 2 provides a synthesis of appropriations proposed for External Action in the course of negotiations on the MFF 2021-2027.

8. Quote from the European Commission proposal, see footnote 3.

9. El País, 8 February 2020, p. 5.

10. See, for a summary of those positions, European Think Tanks Group (2018), Financing EU External Action. Understanding Member State Priorities, https://ettg.eu/wp-content/uploads/2019/01/Financing-EU-external-action.pdf.

Table 2: External action allocations in the different proposals for the EU Multiannual Financial Framework 2021-2027 and actual allocations in the current MFF 2014-2020

	MFF 2014-2020* (actual)	European Commission (May 2018)	European Parliament (December 2018)	Finish Presidency (December 2019)	European Council Presidency (February 2020)
Total MFF (in % of EU GNI)	1.16%	1.11%	1.3%	1.07%	1.074%
Total MFF (in billion €, current prices)	1,062	1,279	1,494	1,087	1,094
External Action (billion €, current prices)	82.57	105.22	109.35	89.27	88.85
Of which:					
Neighborhood, Development and International Cooperation Instrument	70.43	89.5	93.45	75.49	75.49
Of which:					
Geographical programs	57.56	68	NA	57.37	57.37
Of which:					
Neighborhood	17.69	22	NA	18.36	18.36
Sub-Saharan Africa	26.1	32	NA	26.97	26.97
Humanitarian Aid	8.56	11	11	9.76	9.76

Sources: Own elaboration on the basis of official proposals published by relevant institutions (see footnotes 3 to 7).
* Excluding UK expenditure and including the European Development Fund.

Beyond the budget figures, the European Commission has also proposed a series of substantial changes in the way the External Financial Instruments are implemented:

- Integration of the European Development Fund (EDF) into the EU budget. So far, the EDF has been managed as a separate inter-governmental instrument outside the EU budget, with its own financial regulation, managed by the European Commission but funded by specific contributions from member states. The 11th EDF, which amounted to €30.5 billion, or 0.03% of EU GNI, and expired in February 2020, funded development assistance to Africa, the Caribbean, and Pacific countries under the Cotonou Agreement. Bringing the EDF into the budget will give the European Parliament powers of scrutiny over this part of EU's development assistance, reducing member states' leverage over decision-making.
- Merging of the current development assistance financial instruments[11] into a single Neighborhood, Development, and International Cooperation Instrument (NDICI)[12] to support "the EU partners in their political and economic transformations towards sustainable development, stabilization, consolidation of democracy, overcoming poverty and, as regards the neighborhood policy, progressive economic integration into the Union's Single Market and alignment to EU rules and standards for the neighbouring countries that have chosen that path". Across geographic and thematic programs, the NDICI establishes a series of quantitative horizontal targets for the allocation of funds: 25% of total funds

11. Eight different instruments: the European Development Fund, the Development Cooperation Instrument, the European Neighbourhood Instrument, the European Instrument for Democracy and Human Rights, the Partnership Instrument, the Instrument contributing to Stability and Peace, the Instrument for Nuclear Safety Cooperation and the Common Implementing Regulation.

12. https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/628251/EPRS_BRI(2018)628251_EN.pdf.

for climate change, 20% for human development, and 10% to tackle the root causes of migration. At least 92% of NDICI expenses must fulfil Official Development Assistance criteria. This single external financial instrument will endeavor to integrate priorities and programs under a single financial regulation —so far every financial instrument had its own specific regulation— to respond to the intertwined nature of global and development issues and challenges and to ensure increased coherence and coordination.

- A more prominent role for innovative financial instruments, such as blending.[13] Since 2014, the external financial instruments have been complemented, on the one hand, by the possibility to undertake certain external actions in the framework of some internal policies, such as migration and border management or structural funds, and on the other hand by such blending facilities entailing only limited budgetary appropriations. These instruments aim to leverage EU budgetary and credit resources, often in cooperation with multilateral or national development finance institutes, to mobilize private investment in partner developing countries. The most recent example of this was the External Investment Plan set up in September 2017 to boost investment in Africa and the EU Neighborhood[14]. It aimed to mobilize €47 billion in public and private investment through guarantees and other investment support schemes, building on an allocation of €4.6 billion through the European Fund for Sustainable Development (EFSD), to tackle the root causes of migration in these regions by supporting the 2030 Agenda. Additionally, the Guarantee Fund for External Actions, managed by the European Investment Bank, protects the EU against the financial risks of loans and guarantees granted to projects in non-EU countries, and is linked to specific instruments including the Euratom external loans and Macrofinancial Assistance. Based on this thin experience, the development outcomes of which remain to be seen and tested, the European Commission has proposed an External Action Guarantee for the new financial period. The guarantee would be part of the new Neighborhood, Development and International Cooperation Instrument.

Implications for EU External Action

EU leaders in the EU budget negotiations focus on what are for them politically the most pressing issues, such as funds for cohesion policy or Common Agricultural Policy, and the net balance of funds over the financial period for each member state. It is thus highly improbable that the figures for external action will see major revisions further to the proposals advanced by the Finnish Presidency and the President of the European Council[15]. So the most probable scenario is that of an effective stagnation or a marginal increase in the EU budget for external action over the next seven years. Several challenges and questions emerge in this respect:

- Can the EU make a difference? The EU is the main donor globally. It is active worldwide and it engages in all areas and all kinds of cooperation. However, questioning of the EU's capacity to do it all with limited budget resources (and often limited human resources too) is becoming more frequent amongm practitioners and partner countries, in particular taking into account that the EU often fails to speak with a single voice or to stick to its fundamental values of human rights and democracy promotion.[16] Doubts are fed by the EU's limited role, despite the engagement of substantial resources, in the resolution of conflicts including the Israeli-Palestinian conflict, the Libyan and Syrian wars, or even the Sahel, where the EU is watching the degenerate despite its clear

13. The concept of blended finance refers to the mixing of public development finance and private funds into a common investment scheme to combine the expertise of both partners and leverage public resources to mobilize private capital flows towards sustainable development in developing countries. It typically includes risk underwriting or guarantees, technical assistance to develop capacity building of beneficiaries and market incentives to investment. See "OECD DAC Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals", http://www.oecd.org/dac/financing-sustainable-development/blended-finance-principles/

14. See a Factsheet in https://ec.europa.eu/commission/sites/beta-political/files/update4_jan20_factsheet_eip_en_0.pdf.

15. In any case, the likelihood is that any revisions will be downwards, as shown by the revised figures circulated in a European Commission non-paper on February 21, which reduced the allocations for the NDICI even further to €75 billion.

16. See, for instance, Alexei Jones et alia (2018), "Aiming high or falling short? A brief analysis of the proposed future EU budget for external action", ECDPM Briefing Note nº 104, https://ecdpm.org/wp-content/uploads/ECDPM-2018-BN-104-Analysis-Proposed-Future-EU-Budget-External-Action.pdf. More generally, the ECDPM page on the MFF provides the most exhaustive and rigorous analysis of MFF negotiations and implications for external action, including a comprehensive dossier "Investing in Europe's global role: The must-have guide for the negotiations of the Multiannual Financial Framework 2021-2027" (https://ecdpm.org/publications/investing-europe-global-role-must-have-guide-negotiations-multiannual-financial-framework-2021-2027/)

economic, political, and even military commitments.

- In absolute terms, the current figures for Neighborhood countries (including Southern Mediterranean Countries such as Morocco and Tunisia) point to a final allocation of €18.36 billion, i.e. €2.62 billion a year, of which, according to an long-lasting informal political agreement within the EU, roughly one third would go to Eastern European partners and at most two-thirds to Southern and Eastern Mediterranean partners (with a total of 246 million inhabitants), excluding Turkey which is a pre-accession country. This is around €7 per inhabitant per year, all funds included, not far from the levels of assistance granted over the last few years.[17] For sub-Saharan Africa, earmarked funds would amount to €3.85 billion a year, slightly above €3 per inhabitant per year on average. Even though those regions would certainly benefit from additional resources from the thematic and rapid response budgets, and from the Emerging Challenges and Priorities Cushion, this is clearly sufficient to tackle the root causes of migration, let alone to boost development in those countries. For reference, if the cap of 2.3% of GDP at current prices applied for allocation of EU Structural Funds to EU countries with GDP per capita under 60% of the EU average—basically funds to promote their development, very much as the development assistance funds— is calculated for Sub-Saharan Africa, the average cap for EU funds would be €33 per inhabitant per year. For Morocco, this threshold would amount to €63 per inhabitant per year.

    - The creation of the NDICI seems to have a strong efficiency rationale, aiming to simplify, increase coherence, and allow for more flexibility in the implementation of EU external financial instruments. But it also raises some important issues. In the MFF proposals, as discussed so far, funds within the NDICI are largely earmarked for specific geographical areas and topics through pre-allocated 'envelopes', somehow replicating the former division into different instruments. It is not clear how the management and implementation of the NDICI (for instance by the Directorates-General of the European Commission that have managed them so far, respectively the DG NEAR and the DG DEVCO) will effectively contribute to streamline the previous fragmentation. The very name of the new instrument seems to suggest that it is inspired by incrementalism and a bureaucratic rationale rather than by a vision of the role of EU development assistance in partner countries. Dispersion, overlaps and sometimes even duplication across external financial instruments in the same areas or countries were arguably major issues for the effectiveness and efficiency of EU development assistance so far. But the European Commission proposal does not make clear what changes in the process of project or program identification, formulation, implementation and evaluation will contribute to better achieve the objectives of development assistance. It is true that, under the new NDICI and MFF, flexibility will be increased so that unused funds can be transferred across regions or aid modalities on a multiannual basis. But the decision-making process and institutional responsibilities for these fund reallocations are still far from clear. And increased flexibility also runs the risk of making aid flows more sensitive to the evolving political priorities (of EU institutions), to the detriment of a more structural approach and a long-term visibility for partner countries. It could also penalize regions or countries with lower absorption capacity—which are often precisely those who need the funds the most.[18]

- More fundamentally, the European Commission project entails the risk that EU development assistance will be diverted from its development objectives and will focus on promoting EU self-interest and foreign policy objectives.[19] This could put at risk the principles guiding EU development assistance since its inception, according to which this is the only EU common policy where it is not the EU interest which prevails, but the objective: to "foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty", according to article 21 of the EU Treaty.

17. For Morocco, this amounts to close to €200 million a year.

18. For a thorough analysis of the NDICI, see Niamh Fallon (2019), Reconciling Foreign Policy and Development Priorities in the EU Budget (MFF 2021–2027), Institute for International and European Affairs, https://www.iiea.com/publication/reconciling-foreign-policy-and-development-priorities-in-the-eu-budget-mff-2021-2027/.

19. See CONCORD (2018), "EU budget: development aid blended with foreign policy objectives", European NGO Confederation for Relief and Development, https://concordeurope.org/blog/2018/06/14/eu-budget-legal-framework-external-instruments-reaction/.

Overall, it is hard to visualize how this budget will counter the perceptible loss of credibility of EU external action over the last few years. Even if the EU is still the biggest donor and the champion of human rights and democratic values worldwide, a series of developments have undermined EU credibility among its partners and even more so among citizens of third countries:

- The prevalence, since the migration crisis in 2015, of migration containment over other, more altruistic objectives, which has led to an inversion of EU conditionality on development assistance, as epitomized in the European Commission's Communication of 7 June 2016[20], which has guided much EU action since, in particular in Africa: "Increasing coherence between migration and development policy is important to ensure that development assistance helps partner countries manage migration more effectively, and also incentivises them to effectively cooperate on readmission of irregular migrants. Positive and negative incentives should be integrated in the EU's development policy, rewarding those countries that fulfil their international obligation to readmit their own nationals, and those that cooperate in managing the flows of irregular migrants from third countries, as well as those taking action to adequately host persons fleeing conflict and persecution. Equally, there must be consequences for those who do not cooperate on readmission and return. The same should be true of trade policy"; in the first weeks of March of 2020, the unconditional alignment (and fund provisions) of the European Union with the Greek Government in keeping away asylum seekers coming from Turkey by force of police (beating, tear gas, real gun fire) is, on top of a violation of European and internationl law, just the last episode of such drift;
- Support for non-democratic political regimes for the sake of realistic interest considerations, often linked to migration control (Egypt and Turkey are two examples);
- The increasing confusion among partner countries about the complex institutional structure of the European Union (increased and not simplified since the creation of the European External Action Service), and the perceived lack of coherence and often coordination between the actions of member states and of the European Union.

The capability-expectations gap, identified by Christopher Hill of the London School of Economics in 1993[21], as one of the defining features of the EU's international role, seems to have given way to an ambition-resource gap or to a rhetoric-reality gap, as mentioned by High Representative Borrell, cited above. It cannot be taken for granted that the assumed increased efficiency of EU external action brought about by the operational changes proposed by the European Commission and the mobilization of additional financial resources by the new non-budgetary investment promotion instruments, will make up for stagnating budgets and the diminishing credibility of the European Union as a normative actor.

In the history of European integration, all major leaps forward in the European construction had outstanding 'political champions', leading the whole of the European Union to often unexpected results: the single market in 1986 was the endeavor of Jacques Delors as President of the European Commission; the structural funds and cohesion policy as we know them today were designed in 1992 with a crucial role played by Spanish prime minister Felipe González; and the creation of the euro in 1999 was the result of the unrelenting commitment of German Chancellor Helmut Kohl against economic common sense and even German public opinion. In the external action field, the Euro-Mediterranean Partnership was the result of bargaining between Felipe González and Helmut Kohl in 1995, in a move to balance the anticipated EU reorientation towards the East as a consequence of the fall of the Berlin Wall. The European Neighborhood Policy launched in 2003 responded to the discourse of another President of the European Commission, Romano Prodi, offering partner countries at the borders of Europe "everything but institutions", even if this did not fully materialize subsequently. Among current EU leaders, it is hard to see a champion of the role of Europe as a true global player at a time when this is more needed than ever to face geopolitical storms, or a desire for sustainable development as a counterbalance to globalization and the cry of many peoples for freedom and democracy

20. Communication from the Commission to the European Parliament, the European Council, The Council and the European Investment Bank, COM(2016)385 final, on establishing a new Partnership Framework with third countries under the European Agenda on Migration, https://eur-lex.europa.eu/resource.html?uri=cellar:763f0d11-2d86-11e6-b497-01aa75ed71a1.0001.02/DOC_1&format=PDF.

21. Christopher Hill (1993), "The Capability-Expectations Gap, or Conceptualizing Europe's International Role", Journal of Common Market Studies, Vol. 31.3, https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-5965.1993.tb00466.x.

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