

NON-COMMUNITY EUROPEAN SPENDING: A LITTLE KNOWN YET SUBSTANTIAL REALITY

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SUMMARY

After negotiations lasting over two years, the multiannual financial framework for 2014-2020 has now finally been agreed upon. But the European budget is not the only way in which public spending can be Europeanised. "Non-Community European spending", in particular, reveals another picture which is the result of cooperation among several European Union (EU) member states that have expressed the wish to fund common projects together.

This Policy Paper sets out to draw particular attention to this form of public funding, testifying as it does to certain member states' wish to move forward together in a common direction by optimising the use of public resources and overcoming the political hurdles that can exist within the EU as a whole.

**NON-COMMUNITY
EUROPEAN SPENDING
TESTIFIES TO CERTAIN
MEMBER STATES' WISH TO
MOVE FORWARD TOGETHER"**

Non-Community European spending may be defined as spending funded by several member states independently of their membership of the EU or of their contribution to the Community budget. This spending is often managed by intergovernmental organisations set up by one or more EU member states. This kind of public spending allows member states to pursue European integration without awaiting a 28-strong consensus, and on the basis of the priorities that they set themselves in order to take advantage of economies of scale and of the benefits accruing from pooling funding.

Estimated to have been worth over 7.7 billion euro in 2011, this spending is primarily concentrated in the areas of research and development, and competitiveness and innovation, but also in the sphere of external relations. Thus the European commitment to technological research and development accounts for over 10% of overall public spending devoted to this field, rather than the mere 6% that one comes up with when taking Community spending alone into account. Similarly, European commitment in the sphere of external relations, while admittedly very limited, is no longer totally absent.

TABLE OF CONTENTS

INTRODUCTION	3
1. Non-Community European spending, one aspect of European spending among several others	3
1.1. The many forms of Europeanisation of public-sector intervention	3
1.2. What exactly is non-Community European spending?	4
2. A reality which may be difficult to identify yet which is substantial	5
2.1. The various forms of non-Community European spending	5
2.2. A financial burden worth 7.7 billion euro	7
2.3. Spending concentrated in certain specific areas of intervention	7
2.4. A renewed vision of European commitment	9
3. Extremely varied applications	9
3.1. Dedicated organisations for cutting-edge European research	9
3.2. Access to high-performance computing infrastructures at the European level	10
3.3. Funding mechanisms for enhancing European competitiveness	10
3.4. Common foreign and security policy agencies	10
3.5. Organised cooperations in the sphere of military procurement	11
3.6. Funding shared EU military operations costs	11
3.7. Multinational European corps	11
3.8. Boosting effectiveness in public development aid	11
CONCLUSION	13

INTRODUCTION

The multiannual financial framework for 2007-2013 establishing the European Union's (EU) financial resources for a seven-year period is coming to an end at a time of particular hardship for Europe, a time marked by flagging growth, by constantly rising unemployment and by restrictive budget measures in a large number of EU member states. It was in this climate that negotiations for the financial framework for 2014-2020 got under way, and they have just wound up after more than two years by striking a compromise between the member states' occasionally very divergent interests and the requirements of the European Parliament.

The outcome of the negotiations is not so alarming as it may seem. The sums earmarked for growth and employment support appear, in fact, to be slightly higher than they were in 2007-2013. Also, the European budget is not the only form of Europeanisation of public spending. In particular, "non-Community European spending" reveals another picture, the result of cooperation among several EU member states that have expressed the wish to fund common projects together.

This Policy Paper sets out to draw special attention to this form of public funding, which highlights certain member states' wish to move forward together in a common direction by optimising the use of public resources and overcoming the political hurdles that can exist within the EU as a whole.

1. Non-Community European spending, one aspect of European spending among several others

1.1. The many forms of Europeanisation of public-sector intervention

“THE SUPPORT OF ACTIVITY AND EMPLOYMENT IN THE EU IS NOT CONFINED SIMPLY TO THE CHOICE BETWEEN NATIONAL OR COMMUNITY FUNDING”

Contrary to the views traditionally expressed in the public debate, the funding options in support of activity and employment in the EU are not confined simply to the choice between national or Community funding. At the opposite, there are other forms of Europeanisation of public spending which lie outside the strictly national or strictly Community frameworks. Joint Technology Initiatives (JTIs), European Investment Bank (EIB) funding or the project bonds are especially enlightening examples of this. They all share one aim, namely to allow economic players to raise funds at an affordable rate, to mobilise funding for the benefit of Europe's economies by focusing on the benefits to be obtained from long-term public-private partnerships. This funding is designed to support the most ambitious projects in the EU, a potential source of stimulation for the economy thanks to the famous "lever effect".

Established in 2007, the concept of JTIs rests on public-private partnerships for the benefit of European industrial research. Five JTIs have been set up so far (ARTEMIS, ENIAC, Clean Sky, IMI and FCH). The EIB, for its part, is the EU's investment bank. The Union's leading lender and multilateral funder in terms of the volume of its business, the EIB uses its funding and know-how to back solid and viable investments that contribute to the achievement of the EU's major objectives. Over 90% of the EIB's activities is focused on Europe, but it is also

responsible for the financial aspects of the EU's external and development policies. Project bonds, on the other hand, are bonds issued in common by more than one European country to fund major infrastructure projects. Against the bond, thus against what is in effect a new debt, there is an asset, namely an investment achieved.

On a different register, the European Stability Mechanism (ESM), which came into force in September 2012 taking the place of the European Financial Stability Fund (EFSF) and of the European Financial Stabilisation Mechanism (EFSM), is designed to offer financial aid to euro-area member states either already in, or teetering on the edge of, serious financial difficulty. This mechanism, fed by each member state in accordance with its wealth, has a capital, and that capital is intended to serve as a lever to mobilise resources on the financial markets and to make it possible to issue debt three to four times higher than the beneficiary country's own debt, yet with a more favourable interest rate thanks to the mechanism's financial solidity.

The introduction of the Financial Transaction Tax (FTT) in certain EU member states also opens up new prospects for funding public spending. The proposal, backed by eleven member states, was approved by the European Parliament at the end of 2012. The final accord on the details of the FTT and the use to which the new financial resources it generates will be put is still the object of negotiations.

Alongside these various forms of fiscal, not to say financial, Europeanisation, non-Community European spending also demonstrates the wish of several EU member states to fund common projects together by optimising the use of public resources.

Table 1 – The financial weight of other forms of Europeanisation of public-sector intervention

FINANCIAL AND FISCAL EUROPEANISATION	FINANCIAL WEIGHT
Joint Technology Initiatives (JTIs)	Budget over the period 2007-2013: <ul style="list-style-type: none"> • European Commission: 3.1 billion euro • Member states: 1.5 billion euro
European Investment Bank (EIB)	Loans granted to EU member states in 2012: 4.5 billion euros
European Stability Mechanism (ESM)	Lending capacity worth 500 billion euro
Financial Transaction Tax (FTT)	Expected revenue: between 30 and 35 billion euro per year
Non-Community European spending	7.7 billion euro in 2011

Source: compilation by Amélie Barbier-Gauchard

1.2. What exactly is non-Community European spending?

Even though it is the custom to distinguish simply between strictly national public spending (EU member states' spending) and European Community spending (the European budget), the reality of the Europeanisation of public spending is far more complex than such a distinction would suggest. This, because at the crossroads of these two types of spending we find "non-Community European spending", which on occasion can even be fairly substantial.

Non-Community European spending can be defined as spending funded by a number of different member states independently of their membership of the EU or of their contribution to the Community budget¹. More often than not, this spending is managed by intergovernmental organisations set up by one or more EU member states. This kind of public spending allows member states to pursue European integration without awaiting a 28-strong consensus, on the basis of the priorities that they set themselves in order to take advantage of

1. We intentionally omitted membership of such international organisations as NATO, OSCE, the UN, the Council of Europe and so forth here, even though in such cases we are also talking about spending funded by several countries. We also omit here the numerous cooperations involving only a small number of member states (the FGYO, the College of Europe, the University Institute in Florence and so forth). In the same spirit as "enhanced cooperations", and unless otherwise indicated, we have adopted a threshold of nine member states as the minimum threshold above which spending commitments entered into by the various countries can be qualified as "non-Community European spending".

economies of scale and of the benefits accruing from pooling funding. This kind of organisation is generally fairly flexible and relatively simple in procedural terms.

“ THIS SPENDING IS FUNDED BY A NUMBER OF DIFFERENT STATES INDEPENDENTLY OF THEIR MEMBERSHIP OF THE EU OR OF THEIR CONTRIBUTION TO THE COMMUNITY BUDGET ”

Non-Community European spending is not the same thing as the “enhanced cooperation” procedure established under the Treaty of Amsterdam in 1997. Enhanced cooperation refers to a specific European legal act that does not apply to the EU member states as a whole but only to those that wish it to apply. It is implemented within the framework of the EU via European institutions and procedures, and it can involve every sphere of European action. The Treaty of Lisbon in 2007 set the minimum threshold for an enhanced cooperation at nine member states. Authorisation to proceed with an enhanced cooperation must be granted by the Council. Fourteen member states implemented an initial enhanced cooperation in the field of international divorce in 2010, while a second enhanced cooperation concerning the European patent is due to be implemented starting in 2014. And lastly, the European Commission gave the green light in 2012 to the establishment of a new enhanced cooperation designed to introduce the financial transaction tax among eleven member states.

Similarly, we should distinguish between non-Community European spending and the “open method of coordination” (OMC) set up by the European Council in Lisbon in 2000². Of course, that is also a form of intergovernmental governance of public policy, but the OMC is simply a non-compulsory tool for harmonisation among EU member states in very specific spheres of intervention such as employment, social protection, social inclusion, education, youth and training. In concrete terms, the OMC consists in thrashing out an agreement on shared goals, working together to define a series of indicators, and ensuring a regular assessment of the policies implemented at the national level.

2. A reality which may be difficult to identify yet which is substantial

2.1. The various forms of non-Community European spending

This kind of non-Community public spending seems particularly difficult to grasp and the reason for that is simple: it can take various shapes, it can reflect a variety of different motivations and it can concern a wide range of public spending spheres. Table 2 shows the different areas in which this kind of spending can occur, on the basis of four main criteria: the public spending sphere concerned; the motivation; the nature of the pooling; and the extent to which programmes are open to countries outside the EU. This kind of categorisation allows us to illustrate the main aspects of non-Community European spending in a single analytical frame.

2. European Council meeting in Lisbon, *Presidency Conclusions*, 23-24 March 2000.

Table 2 – Categorisation of non-Community European spending

MFF HEADING	MOTIVATION	NATURE OF THE POOLING	DEGREE OF OPENNESS TO COUNTRIES OUTSIDE THE EU
1. Smart and inclusive growth			
Technological research and development	As a complement for Community intervention thanks to the desire to move further ahead in integration and, in particular, to take advantage of the benefits to be had from pooling spending e.g.: Eureka, ESA, ESO...	Financial resources e.g.: ESA, ESO, CERN...	Very open e.g.: Eureka, ESA, ESO...
Competitiveness and innovation		Material resources e.g.: PRACE...	
4. Europe in the world			
Common foreign and security policy	As a substitute for Community intervention, in the absence of Community competence in this area and of a consensus among the 28 e.g.: Athena, OCCAR, FED...	Financial resources e.g.: Athena, OCCAR...	Open to a limited extent e.g.: OCCAR...
Public development aid		Human resources e.g.: Eurocorps, EuroMarFor, EuroGendFor...	Not open at all e.g.: FED, Athena...

MFF: Multiannual Financial Framework

Source: compilation by Amélie Barbier-Gauchard

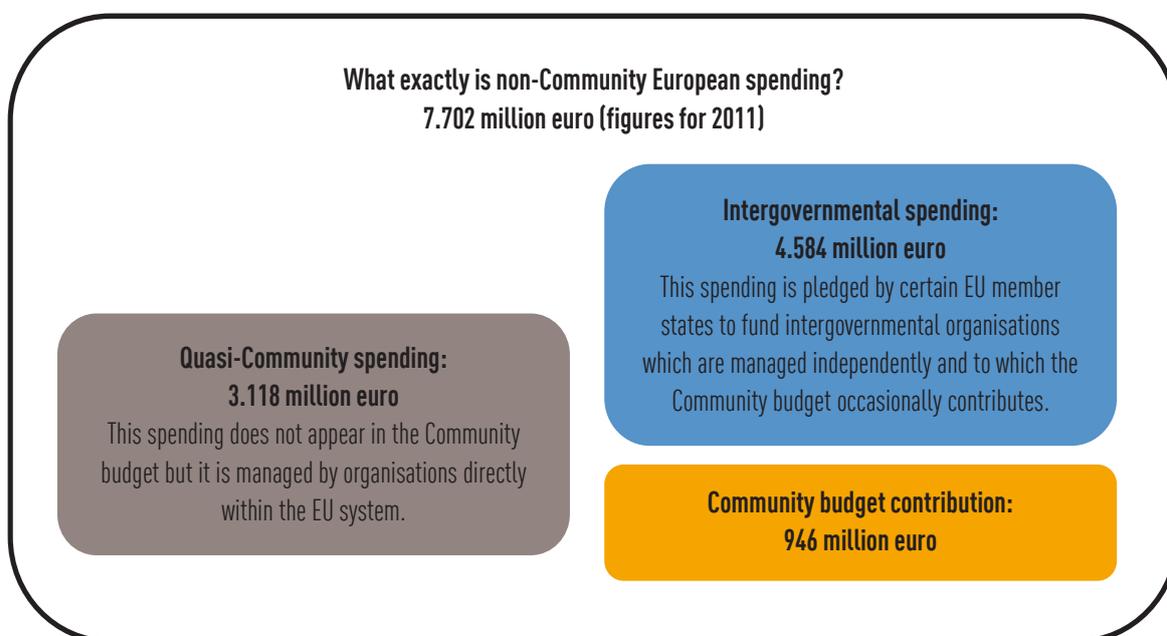
In the fields of technological research and development and of competitiveness and innovation, the motivation often given is that it is necessary to take advantage of pooling funding in order to boost that funding's effectiveness. In order to meet the objectives enshrined in the Europe 2020 Strategy, the actions implemented complement actions already being taken at the Community level. In such cases there tends to be a pooling of financial and even material resources, not to mention fairly frequent calls to non-EU countries to join the venture. In addition to this, another important fact is worth pointing out, namely that in a few rare instances the Community budget also feeds these examples of intergovernmental cooperation.

In the sphere of external relations (defence and public development aid), on the other hand, these forms of intergovernmental cooperation have generally been triggered by the absence of intervention at the Community level, or indeed by lack of agreement among the EU member states. In such cases, what happens is that financial, and even human, resources are pooled in pursuit of a shared objective in order to cut the costs involved for all of the partners while simultaneously boosting the effectiveness of the policy being implemented.

2.2. A financial burden worth 7.7 billion euro

The financial amounts involved tend to be relatively high, as shown in Table 3. Non-Community European spending thus identified amounts to over 7.7 billion euro. Two categories can be identified on the basis of the member states' degree of independence of the European institutions. Thus quasi-Community spending, worth over 3.1 billion euro, does not appear in the Community budget but it is managed by organisations situated directly within the EU system (normally the EU Council). Conversely, intergovernmental spending, which amounts to almost 4.6 billion euro, is pledged by certain EU member states to fund intergovernmental organisations that operate totally independently of any European institution. In some cases, however, the Community budget can occasionally make a financial contribution to these strictly intergovernmental organisations. Its commitment funding comes to almost 950 million euro.

Table 3 – The financial weight of non-Community European spending



Source: compilation by Amélie Barbier-Gauchard

2.3. Spending concentrated in certain specific areas of intervention

A breakdown by area of public spending enables to complete this initial overview, as shown in Table 4.

Table 4 – The reality of non-Community European spending

ORGANISATION	AREAS OF INTERVENTION	DATE ESTABLISHED	TOTAL NUMBER OF MS	NUMBER OF MS BELONGING TO THE EU	ANNUAL BUDGET IN MILLIONS OF EURO ⁱ	CONTRIBUTION FROM MS BELONGING TO THE EU (AS A % OF THE ANNUAL BUDGET), EXCLUDING COMMUNITY BUDGET CONTRIBUTION
1. Smart and inclusive growth					6780	4583.3
ESA	Space research	1975	20 MS	18 MS	4282	3110
ESO	Astronomical research	1962	15 MS	13 MS	152	150
CERN	Nuclear research	1954	20 MS	18 MS	950	874
EUMETSAT	Meteorology and climatology research	1986	26 MS	22 MS	306	285
PRACE	High-performance computing infrastructures	2010	25 MS	19 MS	90 ⁱⁱ	78.3
EUREKA	Applied R&D and innovation	1985	41 MS	27 MS	1000	860
4. Europe in the world					3125.8	3118.3
AED	Defence	2004	26 MS	26 MS	30	29
EUSC	Defence	2002	26 MS	26 MS	17	12.5
ISS	Defence	2002	26 MS	26 MS	6	4
OCCAR	Defence	1996	6/12 MS	6/12 MS	3040	3040
ATHENA	Defence	2004	26 MS	26 MS	28.3 ⁱⁱⁱ	28.3
Eurocorps	Security/Defence	1992	5 MS	5 MS	nd	nd
EuroGendFor	Security/Defence	2004	6 MS	6 MS	nd	nd
EuroMarFor	Security/Defence	1995	4 MS	4 MS	nd	nd
European Air Group	Security/Defence	1995	7 MS	7 MS	nd	nd
European Air Transport Command	Security/Defence	2010	5 MS	5 MS	nd	nd
FED	Public development aid for ACP and OCT countries	1958	27 MS	27 MS	4.5 ^{iv}	4.5
TOTAL					9905.8	7701.6

MS: member state

i. Unless otherwise indicated, the year taken into consideration is 2011 or 2012 on the basis of data availability.

ii. This sum represents 1/6 of PRACE member countries' contributions over the period stretching from 2010 to 2015, and it includes both the host countries' contribution and the contribution of the PRACE member countries as a whole. However, the sum underestimates the real budget devoted to PRACE. Indeed, to the extent that neither the hours of computing offered to award-winners nor the amortisation of the supercomputers purchased are assessed here.

iii. The sum of the shared costs of military operations conducted between 2010 and 2012 (EUFOR Althea, EU Atalanta, EUTM Somalia) stands at 84.8 million euro. For the sake of consistency, we have considered 1/3 of that sum to be an approximation of annual spending for the period under consideration. A word of warning, however: in 2013 the EU also committed to the EUTM Mali, a military operation whose shared costs have been assessed at 12.3 million euro, but that figure has not been taken into consideration in this table.

iv. Average calculated for the period running from 2008 to 2013 on the basis of the resources earmarked for the 10th EDF, worth 22.7 million euro over the period as a whole.

Source: compilation by Amélie Barbier-Gauchard

Thus, over 4.5 billion euro is devoted to the areas of technological research and development and of competitiveness and innovation. In addition to this, some 3 billion euro is spent on external relations, more specifically on defence. Yet that figure is in fact an extremely conservative estimate because it has not been possible to put a figure on the human resources pooled through the multinational European forces (Eurocorps, EuroGendFor, and so forth). Moreover, we should note that in each of these instances the EU member countries involved provide the meat of the funding for these forms of intergovernmental cooperation which often go back many years, showing that the countries in question play a fully-fledged driving role in these areas.

2.4. A renewed vision of European commitment

This overview, while by no means exhaustive, allows us to shed new light on the real situation of European commitment, particularly in the sphere of support for growth and employment (technological research and development, competitiveness and innovation) and in the sphere of external relations (defence and foreign aid). The same is true of the shareout of areas of authority within the EU. While the *Scoreboard of European public spending: An aggregated approach to clarify the organisation of public finance in the EU* published by the *Centre d'analyse stratégique*³ in 2012 presents multi-level governance in the EU in a structure based on two levels of power (the national level and the Community level), introducing non-Community European spending alters the weight of Europe's commitment, sometimes even to a significant extent, as we can see from Table 5.

Table 5 – Breakdown of public spending by type as a percentage of overall public spending incurred by area of intervention

AREAS OF INTERVENTION	BEFORE TAKING NON-COMMUNITY EUROPEAN SPENDING INTO ACCOUNT		AFTER TAKING NON-COMMUNITY EUROPEAN SPENDING INTO ACCOUNT		
	COMMUNITY	NATIONAL	EUROPEAN		NATIONAL
			COMMUNITY	NON-COMMUNITY	
1. Smart and inclusive growth					
Technological research and development	6.3%	93.7%	6.3%	4.6%	89.1%
Competitiveness and innovation	1.1%	98.9%	1.1%	0.1%	98.8%
2. Europe in the world					
Defence	0%	100%	0.0%	1.7%	98.3%
Foreign aid	0%	100%	1.37%	0.01%	98.62%

Source: Scoreboard of European public spending (op. cit.), calculations by Amélie Barbier-Gauchard.

Thus, Europe's commitment to technological research and development accounts for more than 10% of the overall public spending earmarked for this area rather than a mere 6%. By the same token, Europe's commitment to external relations, whether in terms of defence or of foreign aid, while admittedly very limited, is by no means the 0% people generally talk about.

3. See Amélie Barbier-Gauchard, Céline Mareuge and Marie-Françoise Le Guilly, *Scoreboard of European public spending: An aggregated approach to clarify the organisation of public finance in the EU*, Centre d'analyse stratégique, February 2012.

3. Extremely varied applications

3.1. Dedicated organisations for cutting-edge European research

The European Space Agency (ESA) was set up in 1974 to develop cooperation among the countries of Europe in the sphere of space technology and research for peaceful purposes only. The European Southern Observatory (ESO), for its part, is the first intergovernmental organisation for European astronomy. More specifically, the ESO pursues a programme based on the design, construction and management of ground observation equipment for astronomy and it also plays a driving role in research cooperation in the field of astronomy. In the sphere of nuclear research, the CERN (European Organisation for Nuclear Research) designs and builds particle accelerators and ensures their proper functioning. Roughly 10,000 scientific visitors, in other words half the total number of particle physicists in the world, come to the CERN to conduct their research. The European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) was established in 1986 primarily to ensure the maintenance and exploitation of European meteorological satellite systems, but also to observe the climate and to identify climate changes on a planet-wide scale.

3.2. Access to high-performance computing infrastructures at the European level

The development of digital simulation, which makes it possible to reproduce complex phenomena in virtual mode, has led to the design of a new generation of computer known as the supercomputer. High-performance computing is crucial today in a broad range of academic and industrial spheres: the environment and the climate, aeronautics and space, chemistry, medicine, biology, physics, energy, the motor industry, finance and so forth. The European high-performance computing infrastructure known as PRACE (Partnership for Advanced Computing in Europe) was set up to offer Europe's researchers and industrialists access to 5.5 billion hours of supercomputing between 2010 and 2015. Member countries' contributions to the PRACE budget vary on the basis of their status within the organisation. "Host countries" (Germany, France, Spain and Italy) contribute to PRACE financially and materially by both investing in and maintaining supercomputers.

3.3. Funding mechanisms for enhancing European competitiveness

EUREKA is the result of an intergovernmental initiative driven by France and Germany to further innovation, a crucial factor for competitiveness, in the EU by pulling together national funding and by prompting regional players to cooperate on a European scale. EUREKA's strategy is resolutely market-oriented inasmuch as the industrial projects that it funds (innovation in product, procedure or the service industry) are primarily projects being jointly developed by businesses from at least two partner countries.

3.4. Common foreign and security policy agencies

These are agencies which used to fall under the second pillar and which were set up to accomplish very specific tasks within the framework of the Common foreign and security (CFSP)⁴. They report to the Council of the European Union.

There are three such agencies, all of them basically funded by contributions from member states (generally on a GDP scale basis) that fall outside their contribution to the Community budget because the agencies lie outside the Community sphere:

⁴. For an overview of EU member states' commitment to the CFSP, see esp. Missiroli, *EUISS Yearbook of European Security*, ISS, May 2013.

- The European Defence Agency (EDA) pursues four main goals: developing European military capabilities in conjunction with other existing structures; boosting the effectiveness of research and development in the European defence sphere; promoting the procurement of military defence equipment in a cooperation-based context (via OCCAR, the Organisation for Joint Armament Cooperation); and facilitating the development of a European market for competitive defence equipment.
- The European Union Satellite Centre (EU SatCen) was set up to strengthen the performance of early warning and crisis-tracking functions in the context of the CFSP, in particular by supplying the results of satellite image analysis.
- The European Union Institute for Security Studies (EUISS) is the European Union's agency for the analysis of foreign policy, security and defence issues.

3.5. Organised cooperations in the sphere of military procurement

The chief organisation for European cooperation in the sphere of military equipment, the Organisation for joint armament cooperation (OCCAR), was established in 1996 as the result of a common initiative on the part of France, Germany, Italy and the United Kingdom. Its purpose is to ensure the development of arms programmes in a cooperative environment in order to allow the mutualisation of most of the costs incurred in the purchase of military equipment, while continuing to allow for the differing needs of the member states and of the national defence industries in several of those member states.

3.6. Funding shared EU military operations costs

Established in 2004, Athena was designed as a mechanism for handling the funding of the shared costs of European Union operations with military implications or in the defence sphere. This, because military operations performed in the context of the CFSP are not funded from the EU budget. The EU is currently involved in four major military operations (Somalia, Mali, and Bosnia-Herzegovina in particular) whose shared costs are funded by Athena⁵.

3.7. Multinational European corps

Numerous multinational initiatives were launched by certain member states in the security and defence spheres in the 1990s with a view to cutting costs and to improving effectiveness, and this gradually led to the emergence of multinational European corps generally dedicated to the EU but which can also be deployed in a NATO context or on a mandate from other international organisations such as the UN or the OSCE, or indeed from any other multinational coalition. The Eurocorps is an independent military force comprising five European countries (France, Germany, Belgium, Luxembourg and Spain) and certain associated countries. The EuroGendFor (European Gendarmerie Force), for its part, is a European gendarmerie force for crisis intervention, and it enjoys military status. In the naval sphere, the EuroMarFor (European Maritime Force) is capable of conducting naval, mixed airborne and naval or amphibious operations for humanitarian, peace-keeping or crisis management purposes. In the airborne sector, the European Air Group is designed to boost the interoperability of national Air Forces. Attributing greater importance to the development of the European Union's capacity for military intervention in the fields of crisis management and of peace-keeping, France and Germany took the initiative of setting up the European Air Transport Command (EATC), which allows them to use their resources in a joint and thus more effective manner. The aim is to increase the ability to work

5. See EUFOR ALTHEA Council Common Actions 2004/570/CFSP; EU ATALANTA 2008/851/CFSP; EUTM Somalia 2010/96/CFSP. Since 2013 the EU has also committed to the EUTM Mali (Council decision 2013/34/CFSP).

together in the tactical transport sphere (air transport, in-flight refuelling, medical evacuation and so forth) in a potentially very hostile environment.

3.8. Boosting effectiveness in public development aid

Since 1958, the European Development Fund (EDF)⁶ has been the chief European tool for funding cooperation between the EU and the African, Caribbean and Pacific countries (ACP) as well as overseas countries and territories (OCT) in five main areas of cooperation: economic development, social and human development, and regional cooperation and integration. The EDF runs for a given number of years (normally five) and is implemented in the context of an international agreement between the European Community and the partner countries. The EDF is a tool of a very special nature in that it is intergovernmental in its funding yet it is managed by the European Commission outside the framework of the general budget. Over the years it has maintained separate regulations and its own modalities for implementation, which differ from the measures in the EU's general budget governing foreign aid.

⁶. The EDF was set up under the Treaty of Rome in 1957 and used for the first time in 1959.

CONCLUSION

While the economic situation continues to be particularly gloomy and quite a few observers are concerned by the less than ambitious nature of the multiannual financial framework for 2014-2020, taking non-Community European spending into account sheds new light on the reality of the Europeanisation of public spending. Worth over 7 billion euro per year, this form of spending testifies to a genuine desire on the part of certain EU member states to pursue European integration in the field of public finance. This, among other reasons, because there are areas of public spending where the advantages accruing from pooling funding far outweigh national egotism. This is especially true in the area of technological research and development or in the field of competitiveness and innovation, whose role as a driver of activity and employment is now broadly accepted as a given. Moreover, while abundantly described as a national enclave, the sphere of external relations now also seems to hold special interest for intergovernmental cooperation. The EU is thus gradually, if unwittingly, moving towards a kind of “flexible integration” in the field of public finance. Time alone will tell whether the trend will eventually act as a magnet for those EU member states currently not involved.

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