

EU FINANCIAL PERSPECTIVE
2014-2018:
MEANS TO INFLUENCE

Report

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LIST OF ABBREVIATIONS

CAP	Common Agricultural Policy
CFSP	Common Foreign and Security Policy
DG	Directorate General
EaP	Eastern Partnership
EC	European Commission
ECOFIN	European Council of Ministers of Finance
EIB	European Investment Bank
ENP	European Neighborhood Policy
ENPI	European Neighborhood Policy Instrument
EU	European Union
IIA	Interinstitutional Agreement
MAFF	Multiannual Financial Framework
MEDA	Technical assistance to Mediterranean non-Member States
MEP	Member of European Parliament
MS	Member States
NGO	Non-Government Organization
TACIS	Technical Assistance for the Commonwealth of Independent States

INTRODUCTION

As an EU neighbor and partner country, Ukraine has been a major recipient of EU funds. Allocations aimed at effective execution of reforms brought Ukraine approximately €1.5 billion over 2007-2010. However, the country has never bothered to take part in defining either the amount of aid or the priorities for which the funds are allocated. With no national priorities taken into account, the resources have often failed to produce the best result.

To ensure that the EU-Ukraine Association Agreement and a new course of reforms are implemented successfully, Ukraine must finally take advantage of its right to make a statement about its interests and make its voice heard during the process of EU financial framework preparation.

In the European Union, the Multiannual Financial Framework (MAFF) sets expenditure priorities and amounts in stone. The current financial framework is valid for 2007-2013 and envisages €12bn for European Neighborhood Policy countries. The next financial framework (2014-2018) is being elaborated at this time and not a single comma will be subject to change as of 2012.

A new proactive approach to the EU on Ukraine's part will work under two conditions. First, to make EU funding more effective, Ukraine must actively lobby its interests before the maximum amount is committed, that is, during 2010. Second, this tight timeframe means that, in order to send a meaningful message, Ukraine must establish its reform priorities and their cost as soon as possible.

This report is intended to facilitate lobbyists by setting out the process and history of MAFF elaboration: the main stages of the procedure, specific timelines and key actors. The report also **identifies possibilities and entry points for the Ukrainian side to influence the EU multiannual financial framework 2014-2018** and provides some lobbying tips for Ukrainian government officials and non-state actors.

This document is presented as a reader-friendly practical manual, rather than a theoretical study. The authors hope that its information will lead to a crystal-clear understanding of how the MAFF works and at which points Ukraine can step in.

WHAT IS MAFF?

The Multiannual Financial Framework or MAFF is a many-year¹ expenditure plan that translates the European Union's policy priorities into financial terms. This financial planning mechanism was introduced in 1988. The financial framework sets annual maximum amounts or ceilings on commitments for the main spending categories or headings, as well as overall payments limits.² The MAFF also serves as a guideline for those who directly benefit from this budget: from regions to NSAs, to farmers, students, and so on. MAFF serves as a basis for the EU annual budget elaboration.

The history of MAFF: Budget as mechanism for changing priorities

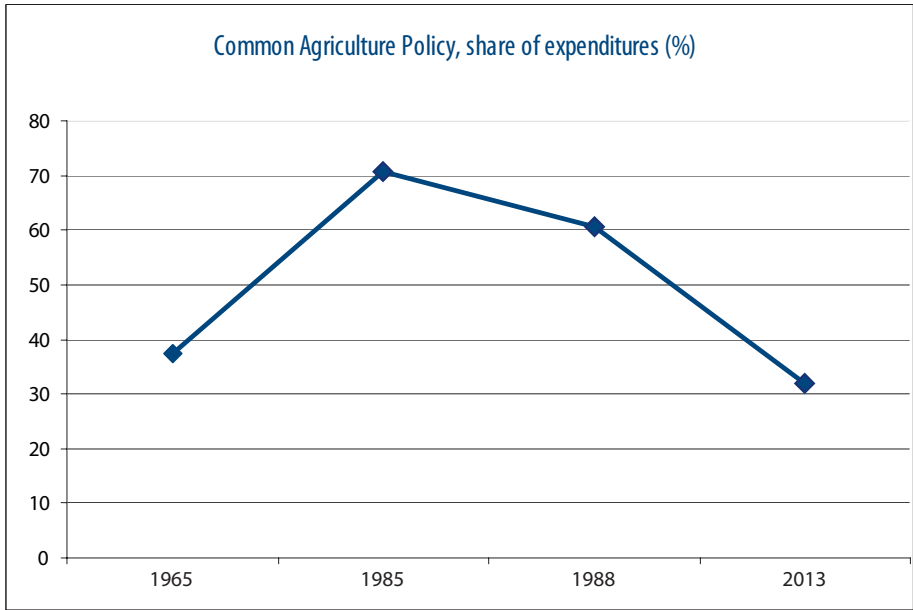
The EU budget has always mirrored the evolution of the European Union. Such developments as the concept of a Single Market, enlargement or a global vision for Europe all had to be reflected in the way EU spending is planned. The agenda of 2008 raised the issues of growth and jobs as needing to be specifically addressed in the new EU budget.

Despite the objective built-in conservatism inherent to budget reform processes, significant changes and shifts in focus are not only possible but have actually taken place. In the history of EU budgeting, four critical shifts merit attention:

- **From administrative to operational costs:** the first budget of the European Economic Community covered only administrative costs. By 2007, operating expenditures constituted the major share of the budget, with €115.5bn for sustainable growth, preservation of natural resources, the promotion of citizenship, freedom, security and justice, and external actions.
- **A shrinking share for the Common Agricultural Policy:** the trend for CAP payments to gradually decline in priority began 1985. These farm subsidies are some of the most controversial aspects of EU budget policy.
- **The growing significance of cohesion policy:** in 1965, cohesion policy spending was around 6% of the EU budget. By 1988, the "cohesion line" had reached 17.2%. In 2013, spending on cohesion policy is planned to be 35.7% of the EU budget.
- **Stronger emphasis on economic development and competitiveness:** while the first EU budget devoted 7.3% of spending to economic development and competitiveness, the 2013 budget has increased this allocation to 26%.

¹ Within their history EU financial frameworks embraced different periods of time. The next MAFF 2014-2018 will be developed for the period of five years.

² http://ec.europa.eu/budget/other_main/glossary_en.htm



Indeed, EU spending priorities both mirror developments within the EU and enshrine them in financial documents in the language of numbers (see Table 1 for details).

Table 1. Changes in key MAFF priorities

Timeframe	Priorities
1988-1992 (Delors I)	<ul style="list-style-type: none"> • Establishing the internal market • Preventing budgetary crisis • Consolidating multiannual R&D framework program
1993-1999 (Delors II)	<ul style="list-style-type: none"> • Focusing on social and cohesion policy • Introducing of the common currency (Euro)
2000-2006 (Agenda 2000)	<ul style="list-style-type: none"> • Enlarging the Union • Reforming Structural and Cohesion Funds • Reforming the CAP
2007-2013	<ul style="list-style-type: none"> • Focusing on sustainable growth • Preserving and managing natural resources • Promoting citizenship, freedom, security and justice • Promoting the EU as a global partner
2014-2018 (first draft)	<ul style="list-style-type: none"> • Focusing on sustainable growth and jobs • Promoting climate and energy • Establishing a global Europe

The current MAFF

New emphases, such as growth and employment, the promotion of freedom, security and justice, appeared in the 2007-2013 MAFF. Within the current financial framework, funding goes to three main areas of the EU interest:³

- **Regional policy:** social and economic development; financed under the heading "Cohesion for Growth and Employment."
- **External policy:** strengthening the EU's role in the world; financed under the heading "EU as Global Player."
- **Thematic policy:** supported by community programs; mainly financed under the headings "Competitiveness for Growth and Employment" and "Citizenship."

Table 2. The 2007-2013 Financial Framework headings

2007-2013 Budget Headings	Amounts (million EUR)
1. Sustainable Growth	385.392
1a. Competitiveness for Growth and Employment	77.362
1b. Cohesion for Growth and Employment	308.030
2. Preservation and Management of Natural Resources of which market related expenditure and direct payments	367.944 293.105
3. Citizenship, Freedom, Security and Justice	10.770
3a. Freedom, Security and Justice	6.630
3b. Citizenship	4.140
4. EU as Global Player	49.463
Total Budget	864.169

Current EU funding for Ukraine

The European Union systematically provides financial support to neighboring countries in order to "sustain their development and to enhance stability in Eastern Europe as a whole".

In recent years, EU-Ukraine relations were covered by the European Neighborhood Policy and EU aid was delivered through the new European Neighborhood and Partnership Instrument (ENPI). This instrument was launched in 2007 with the aim to substitute the TACIS and MEDA technical assistance programs and is distinguished by its policy-driven nature and a new type of aid: budget support. Moreover, the introduction of the ENPI simplified the EU's assistance management system by replacing more than 30 instruments used prior to 2007.

With the launch of a new political framework designed to go beyond the ENP, the Eastern Partnership, ENPI was increased by €350mn in May 2009, adding up to €12bn in the 2007-2013 Financial Framework.

³ http://ec.europa.eu/budget/prior_future/fin_framework_en.htm

Funds are allocated to each individual EU neighbor country within the national, regional and cross-border cooperation programs. The money is given to meet their needs based on their absorption capacity. If a neighboring country makes significant progress, it may be awarded additional money under the Governance Facility and Neighborhood Investment Fund.

The 2007-2013 MAFF places the European Neighborhood Policy Instrument under the External Policy heading.

What does Ukraine receive from the EU? The figures in Table 3 indicate several key priorities.

Table 3. ENPI financing 2007-2010: Ukraine participation

National Indicative Program	
Priorities	Indicative budget (mn €)
Support for Democratic Development and Good Governance	148.2
Support for Regulatory Reform and Administrative Capacity-Building	148.2
Support for Infrastructure Development	197.6
Sub - total	494.0
Eastern Regional Indicative Program	
Networks	56-78
Environment and forestry	56-78
Border and migration management, combating international crime, and customs	45-67
People-to-people activities, information and support	22-34
Anti-personnel landmines, explosive remnants of war, small arms and light weapons	11-22
Sub - total	223.5
Interregional Indicative Program	
Promoting reform through European advice and expertise	40.0
Promoting higher education and student mobility	218.6
Promoting cooperation between local actors in partner countries and in the EU	14.3
Promoting implementation of the ENP and the Partnership with Russia	n/a
Promoting investment projects in ENP partner countries	250.0
Sub - total	523.9
Cross-Border Cooperation Indicative Program	
Poland/Belarus/Ukraine	97.1
Hungary/Slovakia/Ukraine/Romania	35.8
Romania/Moldova/Ukraine	66.1
Black Sea	9.0
Sub - total	208.0
TOTAL	1,449.4

The ENPI is unique because, while not being a pre-accession instrument, it contains the tools that were once available only to accession countries. Although it is a major beneficiary of ENPI funds, Ukraine has failed so far to put these resources to good use. The country's passive stance is one possible reason for this. Ukraine participated in the process of drafting its own strategic documents—a Country Strategy Paper and Indicative Programs—, but only after the maximum amount of financing has been defined by the EU. We believe that the sooner Ukraine starts participating in the MAFF elaboration process, the more effectively it will put EU financial aid to use.

RETHINKING THE EU BUDGET

Twenty years have passed since the EU's first financial framework was adopted. In a world of rapid change and globalization coupled with challenges in climate change, energy efficiency and migration, the EU budget system needs a re-think. Modernization will enable Europe to meet tomorrow's challenges.

In May 2006, the European Parliament, Council and Commission agreed that the Commission should undertake a fundamental review of the EU budget. The Commission was invited—

“to undertake a full, wide-ranging review covering all aspects of EU spending, including the CAP, and of resources, including the UK rebate, to report in 2008/9.”⁴

The budget review is a long-term process and its main phases can be seen in Table 4. The main goal of the budget review is to propose a new structure and new directions for EU spending and to provide an assessment of what will be most effective in bringing most added value. The budget management process will also be part of the re-think.

Table 4. EU budget reform terms and actions⁵

09/2007 – 04/2008	Public consultations, surveying opinion
11/2007	Presidential initiative: debate among budget Committees of European and national parliaments
Spring 2008	Political conference in association with European Parliament: initial analysis of debate results
Spring 2008	Commission starts preparing proposal for reform
2008-2009	Commission presents budget reform proposals
2009	Discussion and endorsement of proposal by EU institutions
2010-2011	Proposal for next financial framework

Openness and “no taboo” approach

Since the EU budget influences both Member States (MS) and non-Member States, an approach that was transparent and allowed all stakeholders offer their input was crucial to the principles of democracy and good governance. The European Commission encouraged all interested parties at local, regional, national

⁴ Declaration №3 annexed to the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management - OJ C 139, 14.6.2006.

⁵ http://ec.europa.eu/commission_barroso_grybauskaite/pdf/presentation_2008mar14_en.pdf

and European levels to participate in the consultation and contribute to the process of changing Europe by reforming the EU budget. Unfortunately, partner countries like Ukraine were not invited to take part in this process.

Consultations took place from September 2007 to April 2008. The results should be a major contribution to the European Commission's proposal for the budget review. Competitiveness, innovation, climate change and energy security were mentioned by most participants as funding priorities.

Harbingers of the new EU budget

A Communication of the European Commission⁶ to the European Parliament and the European Council presents the EC's vision of how the EU budget should be reformed.

According to the Communication, the new consensus on EU spending should be built around three priority axes:⁷

1. Sustainable growth and jobs, aimed at change towards a knowledge-based low-carbon economy through research, skills and competitiveness through innovations;
2. Climate and energy, leveraging the technological revolution needed for energy efficiency and supply;
3. A Global Europe, promoting security, prosperity and solidarity with a focus on fighting poverty, managing migration and strengthening cooperation with European neighbors.

In the part on Global Europe, the document notes:

*"A substantially reinforced neighborhood policy building on the Union for the Mediterranean and the Eastern Partnership and potentially leading towards an extended European economic area will require a **much stronger involvement of the EU budget**"⁸.*

In short, spending priorities are moving away from the CAP to overall economic renewal, climate change and energy as well as foreign relations. The latest version of the budget reform agenda offers positive signals for countries in the European neighborhood of stronger EU budget commitments to the ENP.

⁶ The Communication from the Commission to the European Parliament and the Council: "The latest reform agenda for a Global Europe (Reforming the Budget, Changing Europe)" (06/10/2009), <http://www.euractiv.com/pdf/Draft%20document%20reforming%20the%20budget%20oct%202009.pdf>

⁷ p. 8 of the Communication.

⁸ p. 20 of the Communication.

THE MAFF ELABORATION PROCESS

The MAFF elaboration process takes place at both the intergovernmental and supranational levels. The Commission starts by submitting a MAFF proposal to the Council of Ministers. The proposal is then discussed and unanimously approved by the heads of the Member States at the level of the European Council. This step ensures that possible different positions and stalemates among EU ministers are overcome. Then the Council of Ministers discusses and negotiates the draft with the European Parliament. The Parliament's consent and the Council of Ministers' unanimous approval of the draft MAFF lead to the drawing up of an Interinstitutional agreement (IIA) among the European Parliament, the Council and the Commission (see Diagram 1). Each member state has the right of veto over the MAFF elaboration.

Box 1. Interinstitutional Agreement: formalizing the MAFF

To ensure budgetary discipline and long-term planning and to improve cooperation on annual budgets, the European Parliament, the European Commission and the Council of Ministers conclude a **binding Interinstitutional agreement** which **establishes the multiannual financial framework** and describes its implementation mechanisms.

The IIA sets out the rules and procedures for managing the MAFF on a year-to-year basis (procedures for revision, technical adjustment, and so on).

The current IIA was approved in May 2006. It covers the period of 2007-2013. The Agreement lays down cooperation through three-way meetings among the President of the Council (Budget), the Chair of the European Parliament's Budget Committee, and the Member of the European Commission with responsibility for the budget. These are generally followed by consensus-building between the Council and a delegation from Parliament, with the European Commission as an observer.⁹

⁹ http://ec.europa.eu/budget/documents/multiannual_framework_en.htm

Diagram 1. The phases of MAFF elaboration



Empowering the European Parliament

The adoption of the Lisbon Treaty will lead to some changes on MAFF procedures:

- The MAFF will be adopted for five years instead of the current seven.
- The role of the European Parliament will be strengthened: the proposal will have to be adopted at the third phase by a majority vote instead of its current strictly advisory functions.
- The final decision will be taken by the Council of Ministers Regulation and not through the Interinstitutional Agreement.

WHO DEVELOPS MAFF IN THE EU?

Formulating the EU multiannual financial framework involves different institutions and is affected by their political environments.

Four key EU bodies take part in the elaboration of the MAFF: the European Commission, the European Parliament, the Council of Ministers (ECOFIN), and the European Council. All of them are supposed to advocate the interests of the Union, but some institutions are more prone to lobby national interests. Consequently, we make a distinction between the supranational and national levels of representation in the MAFF elaboration process.

The European Commission and the European Parliament belong to the supranational level. The European Parliament is composed of elected representatives who serve a fixed term of five years. The Members of the European Parliament (MEPs) represent the citizens of the European Union. However, rather than sitting in national blocks they tend to affiliate with seven Europe-wide political groups.¹⁰ Once elected, the European Parliament appoints the European Commission for a matching five-year term.¹¹

The European Council and the Council of Ministers represent the national level. These institutions are composed of representatives of Member States who hold office in their home governments at the time of service. The European Council consists of the Heads of State or of Member States Governments. The Council of Ministers is composed of the relevant MS ministers, who assemble based on the topic discussed. Thus, the Economic and Financial Affairs Council (ECOFIN), which participates in MAFF elaboration, consists of Finance and Economy MS Ministers.

This distinction is important because the European Council and the Council of Ministers *de facto* express the views of Member States, while the European Commission and the European Parliament are responsible for the common policy of the EU-27.

¹⁰ http://europa.eu/institutions/inst/parliament/index_en.htm

¹¹ Commissioners sometimes leave their positions before the end of their mandates in order to take national office, <http://www.europarl.europa.eu/parliament/public/staticDisplay.do;jsessionid=13F254E84281D73BC449E18C73BE256D.node1?id=146>

WHAT SHOULD UKRAINE DO

As a recipient country, Ukraine has never been proactive and has not influenced the priorities that were eventually financed under ENPI. In other words, Ukraine was getting what was given by the EU and lobbied neither its development priorities nor the amount of aid.

It is high time for Ukraine to change this approach and to show a conscious commitment to European integration and the ability to reform. Two complications must be borne in mind. If lobbying of interests is uncommon on the Ukrainian political stage, lobbying in the EU by a third country, that is, non-Member State, is unheard of. Consequently, Ukraine must do some serious homework in order to become a pioneer and develop a strong lobbying strategy.

First, to be an effective lobbyist, the Ukrainian government and non-state actors have to agree on strategic priorities of national development. Second, a needs assessment must be carried out and the cost of the reform process determined. Finally, key actors in the EU must be identified and approached.

It is the last task that is the focus of this chapter. The purpose is to show the key actors and entry points for Ukraine to develop a powerful lobbying strategy and get the most financial aid from the European Union over 2014-2018.

There are three levels of actors who are worth lobbying:

- 1) institutional level
- 2) positional level
- 3) national level.

Level 1. Power-sharing among key actors¹²

The European bodies that take part in MAFF elaboration reflect national interests on a par with supranational ones. They also have different degrees of decision-making powers, falling into a semi-formal hierarchy.

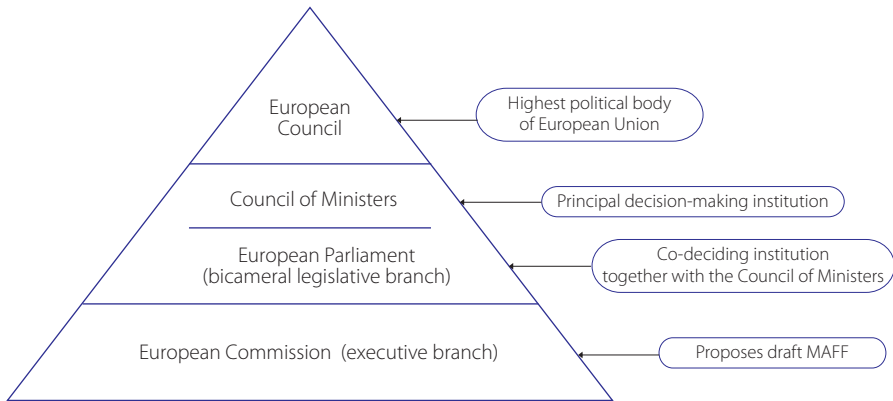
The European Council is the highest political body of the European Union.

The European Parliament and the Council of Europe form a bicameral legislative branch. They have equal power nominally, but in reality it is the Council of Ministers that is the principal decision-making body.

¹² http://europa.eu/institutions/index_en.htm

The European Commission belongs to the executive branch of power. Its role is to submit a draft MAFF and make amendments in the course of institutional discussions.

Diagram 2. The Power Pyramid of EU institutions



In short, Member States in the European Council and the Council of Ministers have the last word in the MAFF formulation. The political representatives of Member States both in their home countries and in Brussels should thus be the key individuals to lobby. The European Commission actually has least decision-making power, but its role in the choice of priorities, which starts the ball of MAFF elaboration rolling, is essential.

Level 2. “Must-have” contacts

There are certain positions in the EU that are bound to grab lobbyists' attention regardless of who occupies them.

EU “celebrities”

In the European Commission, these are the President of the Commission, the Commissioners for External Relations and the Budget, and the chairs of relevant committees.

The President of the European Parliament and the chairs of Budget and Foreign Affairs Committees of the European Parliament are key positions for lobbying.

In the Council of Ministers and the European Council, the Ministers of Finance and Economy and the Heads of State and Government are the key actors in the decision-making process.

The President of the European Council and High Representative for Foreign Affairs and Security Policy portfolios, posts that have been introduced by the Lisbon Treaty, will also be crucial players to lobby. Although these people will not be responsible for the MAFF elaboration procedure directly, they have the power to shape EU foreign policy and priorities. Major foreign policy trends are certainly reflected in the MAFF headings.

Inter-party contact matters, too: Ukraine's parties *Nasha Ukraina*, *Batkivschyna* and *Narodnyi Rukh Ukrainy* have an observer status with the European People's Party. This means that Ukrainian politicians can promote Ukraine's interests at the inter-party level.

Grey eminence

The level of bureaucracy makes a difference to the success of a lobbying strategy. Big-name European politicians do have the last say in the decision-making, but are hard to access for an average NGO. On the other hand, their entourage has influence over them and provides them with data for consideration. Lobbyists must know well who works in a key actor's team and how to get to them, in order to ensure that the necessary information gets to the decision-maker.

Finally, Ukrainian NGOs should not lose sight of their European counterparts, especially those based in Brussels. Successful cooperation and—preferably—a joint lobbying campaign can ensure that Ukrainian lobbyists gain not only valuable experience but also a wider audience for their lobbying.

Level 3. National factor

As the previous chapter suggested, the national factor plays a significant role in the EU decision-making process. In particular, there are distinct “heavyweights” in the European Union, individual officials who exert considerable influence on decisions for a variety of reasons.

The President of France, the Prime Ministers of Italy and the United Kingdom and the Chancellor of Germany fall into this category. Their countries contribute most to the EU budget and their opinion will naturally matter significantly in the MAFF elaboration process. Moreover, these countries, together with Spain and Poland, have the EU's largest populations, which is reflected in the proportionality of votes their Ministers of Economy and Finance have in the Council of Ministers—162 out of a total of 345.

On the other hand, Ukraine has both “friends” and “opponents” among the EU Member States. While some of the EU heavyweights, such as France, Germany, Italy and Spain, have other priorities for spending EU funds, many other EU

members support Ukraine and its aspirations. Ukraine must take advantage of this and lobby its position and interests among its supporters, who actually outnumber those in the opposite camp. For example, in the second half of 2011, Poland will hold the rotating EU Presidency, which means that the Polish Ministers of Finance and Economy will likely preside over the meetings of the Council of Ministers during discussions of the proposed MAFF. Since Poland is an ardent friend of Ukraine, this could help promote Ukraine's interests in the MAFF.

Table 5 provides the timeframe for MAFF elaboration and the key lobbying targets at each stage.

Table 5. MAFF Elaboration: Timeframes, phases and key lobbying targets

Timeframe	Stage	Authority	Targets to Lobby
November 2009	Budget Reform Proposal	European Commission	
2010/2011	Discussion of Budget Reform Proposal	EU institutions	<p>European Commission:</p> <ul style="list-style-type: none"> • EC President • High Representative for Foreign Affairs and Security Policy / Vice President • Enlargement and European Neighborhood Policy Commissioner • Head of Cabinet of DG External Relations • Budget Commissioner • Head of Cabinet of DG Budget <p>Commissioners from UA "allied" MS:</p> <ul style="list-style-type: none"> • Poland • Estonia • Latvia • Lithuania • Czech Republic • Slovakia • Finland • Sweden • United Kingdom <p>as well as sympathetic MS:</p> <ul style="list-style-type: none"> • Slovenia • Hungary • Denmark • Portugal • Ireland • Greece

Timeframe	Stage	Authority	Targets to Lobby
H1 2011	Financial Framework proposal	European Commission	Ministers of Economy, Heads of State and Government: <ul style="list-style-type: none"> • Germany • France • United Kingdom • Italy
H2 2011	Discussion of Financial Framework proposal	Council of Ministers (ECOFIN)	President of Parliament Chair of Budget Committee
	Endorsement of Financial Framework	European Council	Chair of Foreign Affairs Committee
H1 2012	Consent majority voting Unanimous agreement on MAFF	European Parliament Council of Ministers (ECOFIN)	
Mid-2012	Conclusion of Council of Ministers Regulation	Council of Ministers	

Lobbying summary

To sum up, we recommend that Ukraine consider these four key points for lobbying:

- Estimate the cost of reforms and develop a consolidated strategy for lobbying European Union decision-makers;
- Make a concerted effort with EU NGOs, especially Brussels-based ones, and NGOs from Eastern Partnership countries in order to lodge joint petitions to EU institutions and Member States;
- Petition both institutions—the European Commission and the European Parliament—and individual Member States (all sympathizing MS and heavy-weights) at the governmental level;
- Take advantage of the observer status that Nasha Ukraina, Batkivschyna and Narodnyi Rukh Ukrainy have with the European People's Party to promote Ukraine's interests at the inter-party level.

It is vital that all the suggested actions are carried out as soon as possible, that is, before the end of 2010, as the financial framework proposal is submitted at the beginning of 2011. More importantly, significant effort should be invested into *what* Ukraine has to say to European decision-makers. Thus, Ukraine has no time to waste.

CONCLUSIONS

The European Union is undergoing a major evolution, which should be reflected in its next financial framework for 2014-2018. Happily, the EU is not planning to give up its role as a key global player, which means that money is once more going to be allocated to ENP countries. These resources are vital for Ukraine to implement a national strategic course of reforms.

However, Ukraine still has not decided on the purpose for this funding. Unless the government makes an unprecedented step and clearly indicates its national priorities to the EU now, the resources will likely be sent to the wrong channels again and will fail to work to the expected benefit. It is now up to Ukraine itself to take the lead in planning its own future—or to let things once more be decided by someone in Brussels.

The issue is not one to be toyed with: the MAFF elaboration timeframe leaves only 12 months to take urgent action, that is, to develop a powerful message and have it heard by EU decision-makers.

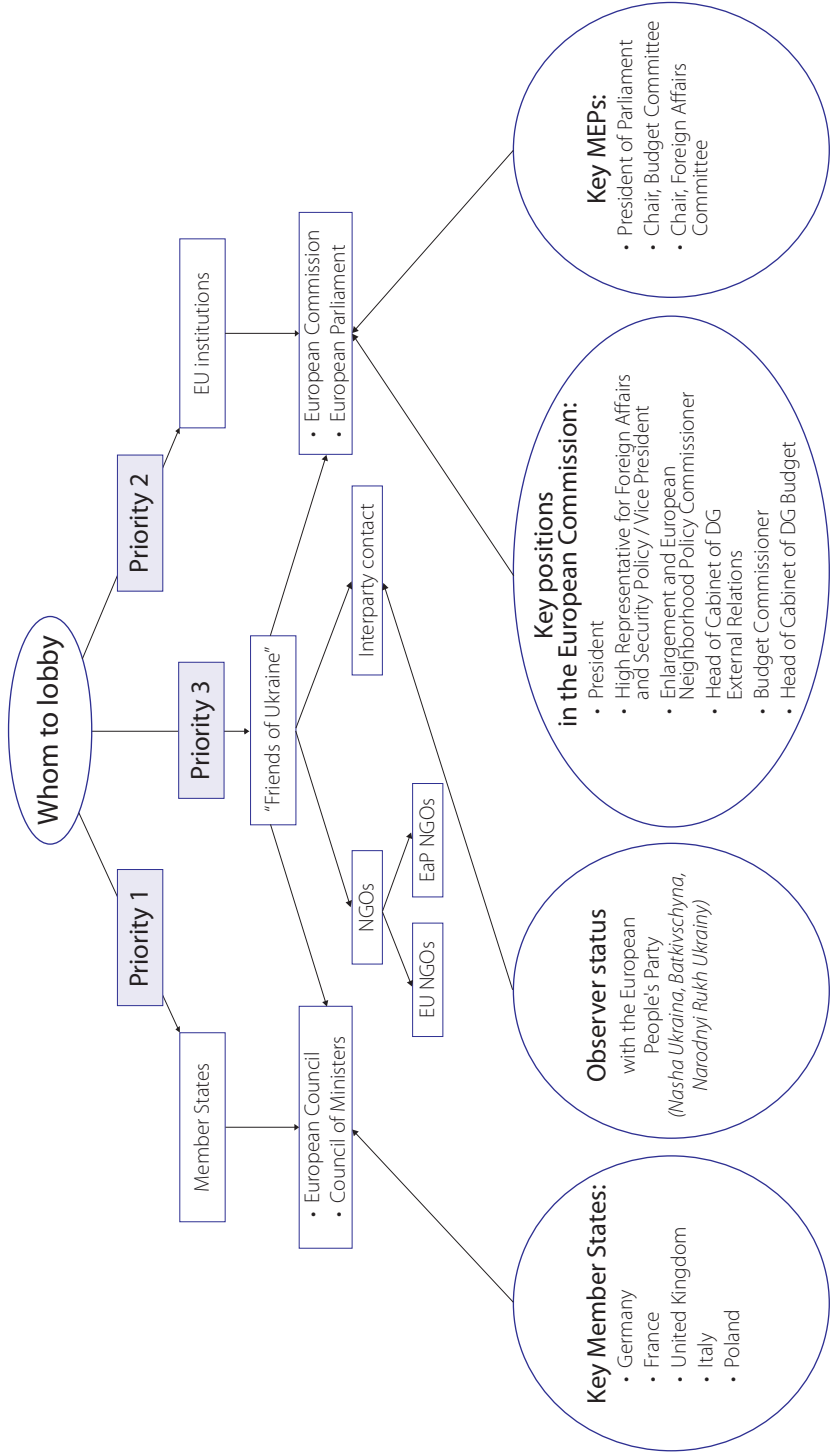
The main entry points and key actors in the MAFF elaboration have been presented here, but key questions remain open. What actual course of reforms does Ukraine need to put on the table? What are the country's national development priorities and how much will they cost?

Answers must be sought in solid research and supported by a responsible national position. Most importantly, the definition of national priorities cannot be locked up in government offices, but should instead consolidate all decision-makers and stakeholders. In the absence of a single strategic course for reforms, it will be a challenge for Ukraine to become strategic and predictable. But if the country wants to make the most of EU support, this challenge must be faced.

Complications include not only Ukraine's lack of experience in needs assessment and lobbying, but also the global economic crisis. Not only is Ukraine short of money—so is the EU. That is why the country's arguments must be honed to perfection, making the message as persuasive as possible.

In short, by establishing a clear lobbying strategy and delivering a strong message, Ukraine will not only get support for its national development priorities, but also confirm its role as a key regional player and a trustworthy EU partner. The challenges Ukraine is facing now are tough, but the possible results are well worth the effort.

ANNEX 1. LOBBYING TIPS FOR UKRAINE



ANNEX 2. PRIORITY AXES OF EU SPENDING FOR 2014-2018

Growth and jobs	Climate and energy	Global Europe
<p>I. Research and Innovation</p> <ul style="list-style-type: none"> redoubling efforts to invest research and innovation; improving coordination between public and private sector and between European, national and regional levels; simplifying participation rules for all innovation funding, regardless of origin; balancing access to capacities in MS with lower income levels. Mechanisms: supporting national and regional development strategies through the EU cohesion policy or creating a European Research Framework Program. <p>II. European Employment Initiative</p> <ul style="list-style-type: none"> supporting social groups or policy areas that would otherwise receive little or no support; encouraging adaptability and lifelong learning in less prosperous MS; restructuring and reorienting existing instruments like European Social Fund (ESF) and Lifelong Learning programs; increasing number of mobility grants; integrating migrants in the framework of a common migration policy; fostering cultural exchange among EU citizens. <p>III. Globalization management across Europe</p> <ul style="list-style-type: none"> using cohesion policy to achieve EU climate, energy and environmental objectives; reorganizing competitiveness spending. 	<p>I. Environment</p> <ul style="list-style-type: none"> promoting energy efficiency and renewable energy; fostering energy and environment-related research and innovation; concentrating funding under European Framework Program for Climate and Energy; transferring technology and assisting least developed countries in preventing and adapting to climate change. <p>II. Transport and Communication Infrastructure</p> <ul style="list-style-type: none"> establishing a mechanism for pooling resources into special <i>Unified Trans-European Networks (TEN) Fund for transport</i> instead of funding individually through Cohesion Fund, European Fund for Regional Development, European Investment Bank and public-private partnerships. <p>III. Land and Maritime issues</p> <ul style="list-style-type: none"> stimulating further reduction in overall share of EU budget devoted to agriculture; focusing on biodiversity and environmental protection. 	<p>I. European Neighborhood Policy</p> <ul style="list-style-type: none"> getting stronger commitments from EU budget to ENP. <p>II. Global Poverty</p> <ul style="list-style-type: none"> fostering development partnerships with undefined developing countries through existing EU trust funds or by creating a general framework for loans and grants; integrating European Development Fund into the EU budget (proposal). <p>III. Migration and trans-national security threats</p> <ul style="list-style-type: none"> consolidating funding streams into a Migration Management Support Fund, which could integrate external and internal EU activities; enhancing conflict prevention and crisis management capacities.

ANNEX 3. WHO IS WHO IN THE EU

EU Institutions	Key Figures
European Council	Herman van Rompuy (President)
European Parliament	Jerzy Buzek (President) Alain Lamassoure (Head of the Budget Committee) Gabriele Albertini (Head of the Foreign Affairs Committee)
European Commission	Jose Manuel Barroso (President) Baroness Catherine Ashton (High Representative for Foreign Affairs and Security Policy) Janusz Lewandowski (Commissioner for Financial Programming and Budget) Stefan Fule (Commissioner for Enlargement and Neighbourhood Policy)

Member States	Key Figures
Austria	Heinz Fischer (President) Werner Faymann (Chancellor) Michael Spindelegger (Head of the Austrian Federal Ministry for European and International Affairs) Josef Pröll (Vice Chancellor and Federal Minister of Finance)
Belgium	Yves Camille Désiré Leterme (Prime Minister) Steven Vanackere (Minister of Foreign Affairs) Didier Reynders (Minister of Finance) Guy Vanhengel (Minister of Budget)
Bulgaria	Georgi Parvanov (President) Boyko Borrisov (Prime Minister) Nickolay Mladenov (Minister of Foreign Affairs) Simeon Djankov (Minister of Finance) Traicho Traikov (Minister of Economy, Energy and Tourism)
Cyprus	Demetris Christofias (President) Markus Kyprianou (Minister of Foreign Affairs) Charilaos Stavrakis (Minister of Finance)
Czech Republic	Vaclav Klaus (President) Jan Fischer (Prime Minister) Jan Kohout (Minister of Foreign Affairs) Juraj Chmiel (Minister for the European Affairs) Eduard Janota (Minister of Finance)
Denmark	Lars Løkke Rasmussen (Prime Minister) Lene Espersen (Minister of Foreign Affairs) Claus Hjort Frederiksen (Minister of Finance) Brian Mikkelsen (Minister for Economic and Business Affairs)
Estonia	Toomas Hendrik Ilves (President) Andrus Ansip (Prime Minister) Urmas Paet (Minister of Foreign Affairs) Jürgen Ligi (Minister of Finance) Juhan Parts (Minister of Economic Affairs and Communication)
Finland	Tarja Halonen (President) Matti Vanhanen (Prime Minister) Alexander Stubb (Minister of Foreign Affairs) Jyrki Katainen (Minister of Finance) Mauri Pekkarinen (Minister of Economic Affairs)

Member States	Key Figures
France	Nicolas Sarkozy (President) Francois Fillon (Prime Minister) Bernard Kouchner (Minister of Foreign and European Affairs) Pierre Lellouche (Minister of State for European Affairs) Christine Lagarde (Minister of Economy)
Germany	Angela Merkel (Chancellor) Guido Westerwelle (Minister of Foreign Affairs and Vice Chancellor) Wolfgang Schäuble (Minister of Finance) Rainer Brüderle (Minister of Economics and Technology)
Greece	Karolos Papoulias (President) George Papandreou (Prime Minister, Minister of Foreign Affairs) Giorgos Papakonstantinou (Minister of Economy and Finance)
Hungary	Laszlo Solyom (President) Gordon Bajnai (Prime Minister) Péter Balázs (Minister of Foreign Affairs) Péter Oszkó (Minister of Finance) István Varga (Minister of National Development and Economy)
Ireland	Brian Cowen (Prime Minister) Micheál Martin (Minister of Foreign Affairs) Dick Roche (Minister of State for European Affairs) Brian Lenihan (Minister of Finance)
Italy	Silvio Berlusconi (Prime Minister) Franco Frattini (Minister of Foreign Affairs) Giulio Tremonti (Minister of Economy and Finance)
Latvia	Valdis Zatlers (President) Valdis Dombrovskis (Prime Minister) Māris Riekštinš (Minister of Foreign Affairs) Artis Kampars (Minister of Economics) Einars Repše (Minister of Finance)
Lithuania	Dalia Grybauskaitė (President) Andrius Kibilius (Prime Minister) Audronius Ažubalisas (Minister of Foreign Affairs) Ingrida Šimonytė (Minister of Finance) Dainius Kreivys (Minister of Economy)
Luxembourg	Jean-Claude Juncker (Prime Minister) Jean Asselborn (Minister of Foreign Affairs) Luc Frieden (Minister of Finance) Jeannot Krecké (Minister of Economy and External Commerce)
Malta	George Abela (President) Lawrence Gonzi (Prime Minister, Minister of Finance) Tonio Borg (Minister of Foreign Affairs) Tonio Fenech (Minister of Finance, the Economy and Investment)
Netherlands	Jan Peter Balkenende (Prime Minister) Maxime Verhagen (Minister of Foreign Affairs) Jan Kees de Jager (Minister of Finance) Maria van der Hoeven (Minister of Economic Affairs)
Poland	Lech Kaczyński (President) Donald Tusk (Prime Minister) Radosław Sikorski (Minister of Foreign Affairs) Jacek Rostowski (Minister of Finance) Waldemar Pawlak (Deputy Prime Minister, Minister of Economy)

Member States	Key Figures
Portugal	Anibal Cavaco Silva (President) José Sócrates (Prime Minister) Luis Amado (Minister of Foreign Affairs) Teixeira dos Santos (Ministry of Finance) Vieira da Silva (Minister of Economy, Innovation and Development)
Romania	Traian Basescu (President) Emil Boc (Prime Minister) Teodor Baconschi (Minister of Foreign Affairs) Sebastian Teodor Gheorghe Vlădescu (Minister of Public Finance) Adriean Videanu (Minister of Economy, Trade and the Business Environment)
Slovakia	Ivan Gašparovič (President) Robert Fico (Prime Minister) Miroslav Lajčák (Minister of Foreign Affairs) Ján Počiatek (Minister of Finance) Ľubomír Jahnátek (Minister of Economy)
Slovenia	Danilo Türk (President) Borut Pahor (Prime Minister) Samuel Žbogar (Minister of Foreign Affairs) Franc Križanič (Minister of Finance) Matej Lahovnik (Minister of Economy)
Spain	Jose Luis Rodriguez Zapatero (Prime Minister) Miguel Ángel Moratinos (Minister of Foreign Affairs) Elena Salgado Méndez (Deputy Prime Minister and Minister of Economy and Finance)
Sweden	Fredrik Reinfeldt (Prime Minister) Carl Bildt (Minister of Foreign Affairs) Anders Borg (Minister of Finance)
The U.K.	Gordon Brown (Prime Minister) David Miliband (Secretary of State for Foreign and Commonwealth Affairs) Ian Pearson (Economic Secretary)