



Council of the
European Union

Brussels, 27 November 2015
(OR. en)

14527/15
ADD 1

DEVGEN 238
RELEX 968
ACP 170
COHAFA 114
WTO 254
ONU 138
OCDE 15

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	24 November 2015
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2015) 248 final
Subject:	COMMISSION STAFF WORKING DOCUMENT accompanying the document REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL: 2015 Annual Report on the European Union's development and external assistance policies and their implementation in 2014

Delegations will find attached document SWD(2015) 248 final.

Encl.: SWD(2015) 248 final



Brussels, 24.11.2015
SWD(2015) 248 final

COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**2015 Annual Report on the European Union's development and external assistance
policies and their implementation in 2014**

{COM(2015) 578 final}

TABLE OF CONTENTS

1. CHAPTER 1 - DELIVERING ON COMMITMENTS	5
1.1. EU response to world developments in 2014	5
1.2. Leading the way in development policy	6
1.2.1. A more strategic approach: implementing the ‘Agenda for Change’	6
1.2.2. Responding to global challenges and supporting long-term reforms	10
1.2.3. Making a difference: new instruments and aid modalities	12
1.3. Keeping long-term promises	15
1.3.1. Progress in achieving the MDGs and preparation of the post-MDG framework	15
1.3.2. Focusing on poverty	18
1.3.3. Strengthening human rights and good governance	19
1.3.4. Mainstreaming of cross-cutting issues	20
1.3.5. Cooperation with civil society organisations and local authorities	21
1.3.6. Financing for development	23
1.3.7. The role of the private sector	26
1.4. Better and more effective aid	27
1.4.1. Aid effectiveness and joint programming	27
1.4.2. Cooperation with the donor community	30
1.4.3. Cooperation with international organisations	31
1.4.4. Coherence between development and other policies	33
1.5. Outlook 2015	34
2. CHAPTER 2 - IMPLEMENTATION: GEOGRAPHIC OVERVIEW	37
2.1. European Neighbourhood and the Middle East	37
2.1.1. European Neighbourhood & Russia	37
2.1.2. Middle East	54
2.2. African continental, Sub-Saharan Africa & all ACP programmes	59
2.2.1. Sub-Saharan Africa	60
2.2.2. South Africa	74
2.2.3. Intra-ACP (Africa, Caribbean, Pacific) programmes, including water and energy	78
2.3. Latin America & the Caribbean	81

2.3.1.	Latin America	81
2.3.2.	Caribbean	91
2.4.	Asia, Central Asia & the Pacific	98
2.4.1.	Asia	98
2.4.2.	Central Asia	105
2.4.3.	Pacific	112
2.5.	Overseas Countries and Territories (OCTs)	118
3.	CHAPTER 3 - IMPLEMENTATION: THEMATIC OVERVIEW	125
3.1.	The thematic programmes	125
3.1.1.	Investing in people	125
3.1.2.	Non-state actors and local authorities in development	128
3.1.3.	Migration and asylum	129
3.1.4.	Environment, climate change and sustainable management of natural resources	131
3.1.5.	Food and Nutrition Security and Sustainable Agriculture	133
3.1.6.	Sustainable Energy	135
3.1.7.	Partnership Instrument	136
3.2.	Democracy and human rights	141
3.3.	Stability	145
3.3.1.	Crisis response and preparedness	145
3.3.2.	Global and regional trans-border challenges	152
3.4.	Nuclear safety	156
3.5.	Humanitarian assistance and Civil Protection	159
	Introduction	159
	Humanitarian aid	159
3.6.	Macro-Financial Assistance	165
4.	CHAPTER 4 - MANAGING AID FOR RESULTS	166
4.1.	Monitoring and evaluation	166
4.1.1.	Enhanced focus on results	166
4.1.2.	Evaluation: review of the work programme	167
4.1.3.	Lessons learned	170
4.2.	Aid delivery modalities	171
4.2.1.	Developments in aid delivery modalities and channels	171
4.2.2.	Budget support	173
4.2.3.	Using EU grants strategically via blending	175

4.3.	Progress in aid management.....	176
4.3.1.	Progress on qualitative issues in aid management.....	176
4.3.2.	Simplification of procedures	178
4.4.	Communication & transparency	179
4.4.1.	Communication and visibility	179
4.4.2.	Transparency	180
5.	CHAPTER 5 - FINANCIAL ANNEX	182
5.1.	Introduction to financial tables	182
5.2.	Financial tables	184

INTRODUCTION

"The world is changing rapidly. New players and new challenges reshape our understanding of development. Today development touches not just on a wide range of policy areas, it touches our everyday lives." HRVP Mogherini

In 2014 the European Union (EU) employed the entire breadth of its policies and tools that span diplomatic, security, financial, trade development and humanitarian aid. Development and external assistance are part and parcel of an integrated EU approach that tackles the roots of a problem not just its symptoms. That is why the EU increasingly combines all its policies to address the causes of conflict, both by tackling poverty and creating the conditions for economic growth, but also by laying the foundations for stable democratic societies. Comprehensive responses were developed to address major crises such as the conflict in Ukraine, the terror spread by Da'esh and other extremist movements in Syria, Iraq and beyond, as well as the Ebola crisis.

The EU and its Member States remained the world's largest development aid donor and promoted European core values of peace, security, sustainable development, poverty reduction and human rights worldwide. The EU continued to deliver in priority areas of the 'Agenda for Change'¹, notably human rights, democracy and other key elements of good governance and inclusive and sustainable growth. The EU's 'Agenda for Change' remains crucial to improving its impact on poverty reduction and supporting partner countries in achieving the Millennium Development Goals.

The EU is the world's leading humanitarian donor. In 2014 the EU Humanitarian Aid and Civil Protection department (ECHO) provided EUR 1 273 billion of assistance in response to natural disasters, armed conflicts and protracted crisis.

At the end of 2014, the EU had 16 CSDP civilian and military missions or operations in place, of which two civilian missions (EUCAP Sahel Mali and EUAM Ukraine) and one military operation (EUFOR CAR) were established in 2014, focusing on the reform of the civilian security sector, protecting populations most at risk and creating the conditions for providing humanitarian aid. Cooperation with external assistance instruments and actors is given great importance during the planning and implementation of CSDP missions in line with the comprehensive approach.

As strong promotor of Human Rights, the EU undertook human rights dialogues and consultations with 37 partner countries and regional groupings. The EU supported human rights civil society organisations and human rights defenders, conducted eight Election Observation missions and nine Electoral Expert missions and took further steps towards applying a more effective human rights-based approach to development cooperation.

The external dimension of migration has gained in importance and will remain a priority for the EU. The EU sees migration as a global, complex and multifaceted phenomenon that requires a comprehensive, coherent and long term response. This approach entails addressing the root causes through intensifying cooperation with countries of origin and transit and better integrating migration in EU external policies.

¹ https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change_en

The EU is deeply committed to an effective multilateral system with the UN at its core. Throughout 2014 it has worked hard to advance the principles and spirit of the UN Charter. Whether in addressing crises, or defending human rights, justice, equality and equity, good governance, democracy and the rule of law, the EU continues to be a reliable and committed partner to the United Nations. In 2014, the EU advanced a clear vision and an influential voice in debates on the post-2015 agenda in order to build consensus and achieve an ambitious outcome at the UN Summit that will take place in September 2015.

The EU declared 2015 as the European Year for Development (EYD2015). Given that the timeframe for the Millennium Development Goals is coming to an end, the year's motto 'Our world, our dignity, our future' looks ahead towards a new single framework for poverty eradication and sustainable development. The EYD2015 is the first ever European Year for Development and aims at raising awareness of the external actions of the EU and promoting the EU as a global player.

1. CHAPTER 1 - DELIVERING ON COMMITMENTS

1.1. EU response to world developments in 2014

The EU has been following the political situation in Ukraine closely and has been deeply engaged in seeking a solution to the crisis. Political initiatives went hand in hand with a large support package worth EUR 11.1 billion for the next seven years to help stabilise Ukraine's economic and financial situation, support a peaceful transition, encourage political and economic reforms and support inclusive development. An EU Advisory Mission for Civilian Security Sector Reform Ukraine (CSDP Mission) was also officially launched in December 2014.

To forge an effective response to conflict and instability to the EU's south, the European Commission and the High Representative prepared the first EU comprehensive strategy on tackling the crises in Syria and Iraq and the threat posed by Da'esh. The strategy brings together ongoing and planned initiatives of the EU and its Member States and boosts their efficiency, with an additional EUR one billion in funding for two years. With this substantial package, the EU will ensure steady and predictable funding for essential priorities: relief, stabilisation and development in the region, as well as countering the threat posed by terrorist groups. These political, social, and humanitarian measures target Syria and Iraq, but also Lebanon, Jordan and Turkey.

Dialogue between the Palestinian Authority (PA) and the EU continued in the framework of the European Neighbourhood Policy and on the basis of the priorities jointly agreed in the 2013 Action Plan. After the summer conflict in Gaza, the EU repeatedly underlined the need for a sustainable and comprehensive solution, including the lifting of the border closure, the return of the PA to its governmental responsibilities in the Gaza Strip and the urgent resumption of credible peace negotiations. The EU reaffirmed the applicability of international human rights and humanitarian law in the occupied Palestinian territory and called on Israel to fully meet its obligations under international law.

At the 4th EU-Africa Summit held in Brussels in April 2014, leaders reaffirmed the EU's sustained support for the African Peace and Security Architecture through the African Peace Facility (APF) and the potential for providing more equipment as well as training and mentoring. The EU was able to announce the launching of EUFOR CAR. A maritime security meeting hosted by the HR/VP, along with comments in the plenary session, highlighted the valuable lessons learnt from Operation Atalanta², and the great interest from West African countries in the EU's new Gulf of Guinea Strategy³. The presence of UNSG Ban Ki-moon sent a strong message about the extent of EU-AU-UN cooperation.

The EU has contributed EUR 1.2 billion in financial assistance to the fight against the Ebola epidemic in West Africa. This includes funding from the European Commission (more than EUR 200 million) and Member States. The Commission was active with financial aid, experts on the ground, supply of mobile laboratories, support to the

² <http://eunavfor.eu/>

³ http://eeas.europa.eu/gulf_guinea/docs/strategy_en.pdf

local authorities, reinforcement of national health infrastructures, coordination for the delivery of supplies and medical evacuations.

The implementation of the EU Strategy for Security and Development in the Sahel continued throughout 2014 in all four of its main strands: political, development, security, and countering violent extremism. It was recognised that the link between security and development should remain at the heart of EU policies and operations in the Sahel, and that the implementation of the Strategy should be extended to Burkina Faso and Chad.

Boko Haram (BH) continued its terror campaign with unprecedented brutality. The EU reacted through a comprehensive range of political, development and humanitarian instruments and listed BH as a terrorist group along the lines of the UNSC Sanctions Committee decision.

Throughout 2014, the EU remained actively involved alongside international partners to bring stability to the Central African Republic and to support the political transition endorsed by the region and international partners, aiming at sustainable recovery from crisis. On 15 July 2014, the EU also launched its first ever multi-donor development trust fund, in support of CAR, which aims to facilitate the transition from emergency response towards longer-term development assistance. By the end of 2014 the 'Fonds Bekou' as the trust fund is called, received EUR 50 million from the European Development Fund, France, Germany and the Netherlands.

The EU deployed Election Observation Missions in Maldives, Guinea Bissau, Malawi, Egypt, Kosovo, Mozambique and Tunisia and Electoral Expert Missions were deployed in Egypt, Libya, Thailand, Iraq, Algeria, Mauritania, Bolivia, and Fiji. While the EU does not observe elections in the OSCE area, it supported closely OSCE/ODIHR in the context of the presidential and parliamentary elections in Ukraine.

In 2014, the EU focused strongly on climate change diplomacy and in particular on its outreach to strategic partners to ensure the progress of international negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) framework. 2014 was an important year in laying the groundwork for the UNFCCC Conference of Parties in Paris 2015, where the EU seeks to secure a fair, ambitious and legally-binding international climate change agreement for the post-2020 period and to ramp up pre-2020 climate change ambitions.

1.2. Leading the way in development policy

1.2.1. A more strategic approach: implementing the 'Agenda for Change'

The Agenda for Change, adopted in 2011, is the basis for the EU's development policy. The primary objective of the Agenda for Change is to significantly increase the impact and effectiveness of EU development policy and, to this end, a series of key changes in the way assistance is delivered have been introduced. This change took place within the framework of the programming for the period 2014-2020. During 2014, most new multi-annual programming documents were adopted and integrated the key changes outlined below.

These key reorientations have changed EU development policy significantly.

a) An increased focus of support to countries most in need

The Agenda for Change calls for an increased focus of support towards countries that need support the most and where it can have the greatest impact on poverty reduction. This principle has been applied through the graduation of 16 upper and large middle income countries from bilateral aid under the Development Cooperation Instrument (DCI). These countries will not receive any new bilateral aid, but will remain eligible for funding from regional and thematic programmes.

For those countries eligible for bilateral aid, the differentiation approach has been further applied at the level of country allocations through the use of a transparent and objective allocation methodology, which has been used for the first time in both the European Development Fund (EDF) and the DCI. This differentiation approach has induced a significant shift of initial allocated funds towards Least Developed Countries and other Low Income Countries, which now receive about 75 % of total EDF and DCI resources for country level cooperation. The allocation to Upper Middle Income Countries and High Income Countries has consequently decreased. For these countries regional and thematic cooperation, as well as support through the Partnership Instrument will become progressively more significant.

b) A significant increase in sector concentration

To further increase the impact and leverage of EU assistance, and to help keep EU assistance manageable for all stakeholders involved, the Agenda for Change calls for resources to target a smaller number of sectors - as a rule a maximum three sectors should be targeted. This has been achieved to a large degree for the programming period 2014-2020. Analysis shows that 79 % of multi-annual indicative country programmes will have three sectors, and 48 % less than three. In only 19 % of the national programmes will support be focussed on more than three sectors, mainly in countries with very large financial envelopes and which are considered fragile such as the Democratic Republic of Congo or Afghanistan. The average number of sectors per country falls to 2.3 and 2.9 respectively in the EDF and DCI programmes for the period 2014-2020.

c) An increased focus on the priority sectors of the Agenda for Change

In line with the Agenda for Change, EU support is now more focused on the two critical areas – notably on Human Rights, Democracy and other key elements of good governance, and inclusive and sustainable growth for human development. The latter is to be obtained through support to social protection, health and education, private sector development and regional integration, as well as sustainable agriculture and energy.

d) Substantial progress with respect to aid effectiveness

Significant progress was made with respect to alignment on country policies by basing EU programming on country policies and plans. Specific EU country strategy papers have therefore only been developed for a few cases.

Fragmentation and proliferation of aid is still widespread and increasing in some areas. It is in this context that Joint Programming has emerged as a core element of the Agenda for Change and the EU's common aid effectiveness agenda. Joint Programming is also about increased EU influence and impact through more coherent interventions and a strengthened political dialogue. Under the current programming exercise, joint programming has truly advanced. The process has been concluded or is underway in more than 30 countries. For more details see section 1.4.2.

e) Better predictability coupled with increased flexibility

As a rule, the programming is undertaken for the full period 2014-2020 using an approach that allows ad hoc reviews as and when necessary. Only in a limited number of cases was programming for just the initial period undertaken.

f) Adequate complementarity between country, regional and thematic programming

Significant efforts were made to ensure adequate complementarity between country, regional and thematic programming documents avoiding overlapping programmes and promoting synergies between the different levels.

g) A strong results focus

A much stronger results focus has been put in place by inclusion in the programming documents of clear sector objectives and related indicators to measure results.

Furthermore, substantial preparatory work has been accomplished with regard to the International Cooperation and Development Results framework which should enhance the EU's reporting on results as a donor. The present report will be complemented later in 2015 by a specific report on the results of the EU funded actions.

h) Other important changes

In terms of development instruments, the full and successful implementation of the new Budget Support policy is of strategic importance. We have substantially improved consistency and reporting as well as the management of the risks and policy dialogue with the Risk Management Framework. Internal governance has been strengthened with the Budget Support Steering Committee (BSSC). Those efforts have been translated into more efficient and effective budget support operations which also show their quality through a sustained decrease in errors found by the Court of Auditors. In 2014 State-building Contracts have shown their usefulness in stabilising fragile situations. The guidance processes of the BSSC have been

simplified to better target relevant cases. In addition, the Commission has identified areas where an increased use of innovative financial instruments can be explored and used through the EU Blending mechanisms. Guarantees and risk sharing mechanisms can be used in particular for infrastructure projects and for support to MSMEs but also for projects in the agricultural and social sectors.

Domestic revenue mobilisation (DRM) is receiving growing attention and the Commission continued a number of sustained efforts on international, regional and national level to support partner countries in their tax reforms to substantially improve DRM and the fight against illicit financial flows. In addition, the EU supports the Extractive Industries Transparency Initiative (EITI) which aims at improving transparency of revenues from natural resources and the Tripartite Initiative with the World Bank and the OECD to strengthen Transfer Pricing efforts.

As corruption is a major impediment to development, addressing it is at the heart of EU work. In the 2014 communication 'A decent Life for all: from vision to collective action', the EU renewed this commitment by promoting the adoption and implementation of appropriate legal frameworks and national policies in the post-2015 framework. In 2014, projects worth nearly EUR 77 million addressed anti-corruption at country level through advocacy, awareness-raising and reporting and capacity building for control and oversight bodies and the judiciary. In addition, good governance and anti-corruption are mainstreamed in key sectors of cooperation to ensure that all development cooperation programmes through-out their cycle address corruption and promote principles of efficiency, accountability and transparency.

At the same time Delegated Cooperation has also progressed. In 2014 alone (mid-year data) 17 new Delegated Cooperation agreements with Member States were signed for a value of EUR 131 million (of which EUR 6 million was for blending operations) and two Transfer agreements from Member States to the EU were signed for a total of EUR 3.8 million.

The Commission has identified areas where an increased use of innovative financial instruments can be further explored and used through the EU Blending mechanisms. Guarantees and risk sharing mechanisms can be used in particular for infrastructure projects and for support to MSMEs but also for projects in the agriculture and social sector.

EU support for sustainable change in transition societies

In 2013, the European Commission and the European External Action Service (EEAS) have moved to implement the Joint Communication 'EU support for sustainable change in transition societies'⁴. In July, the Joint Communication and the Council Conclusions were sent to all EU Delegations for information and to follow up where relevant. The EU offers support to partner countries undergoing transition, both at bilateral and regional level. Given the varying levels of progress in different countries support is tailor-made, bearing in mind each country's specific political and socioeconomic contexts.

For example, in the southern European Neighbourhood transitions are increasingly complex and multidimensional and require a coordinated mobilisation of a wide range of EU instruments. The EU supports democracy-related reforms in the areas of

⁴JOIN(2012) 27 final, 3.10.2012

justice, governance and human rights. Security has become a new area of cooperation as development cannot take firm root in the absence of peace and security. The EU further contributed to short-term security actions as well as to long-term support to develop institutional capacity for Security Service Reform. In addition, the EU further enhanced support to civil society, including support to create a conducive environment for the development of civil society organisations.

At headquarters level, a platform for better sharing knowledge was set up as a new public group on capacity4dev⁵ and was made operational for the European Development Days in November 2013. This platform on transition will allow members of the group to find relevant information on EU support for sustainable change. Members of the group will also be allowed to share information on capacity4dev's blog pages.

1.2.2. Responding to global challenges and supporting long-term reforms

Climate change and development

Climate change threatens to reverse the development achievements of recent years. Developing countries are particularly vulnerable to climate change because their economies often depend more on climate-sensitive natural resources, their societies are less resilient and because they possess fewer resources to adapt to climate change. The EU has committed to spend at least 20 % of its budget for 2014-2020 on climate-related projects and policies and the EU's development policy will contribute to achieving this overall commitment. The EU is the world's leader in providing ODA to developing countries and is also the world's leader in providing support for climate action in these countries. The Global Climate Change Alliance is the EU's main initiative to enhance policy dialogue and support partner countries implementing their climate strategies, in particular the national adaptation planning processes. For example, the Chololo village in Dodoma province in Tanzania is located in semi-arid drylands, one of three ecosystems targeted for support by the Global Climate Change Alliance (GCCA) project. Since 2011, the Chololo Ecovillage project worked with the community to identify, introduce and evaluate new approaches in agriculture, livestock, water, energy and forestry. It proved a great local success and a source of learning on climate adaptation for other communities and regional and national decision-makers. Its strategies are being shared widely.

At the European level, the EU has taken ambitious steps to achieve climate-smart development: it has demonstrated that it is possible to de-couple economic growth from increasing CO₂ emissions. The 20th Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC COP) took place in Lima, Peru, in December 2014. The conference prepared the road for a new climate deal to be agreed upon in Paris in 2015.

Water and Energy

⁵ <http://capacity4dev.ec.europa.eu/>

In line with the Agenda for Change and as a commitment to the objectives of the UN Secretary General's Sustainable Energy for All initiative (SE4ALL), Commission ex-President Barroso proposed the target of enabling access to sustainable energy for 500 million people by 2030 and put forward funds for the coordination, dissemination and tracking of this global effort.

Long-term partnerships with developing countries are based on mutual accountability and political dialogue at regional, national and local level to help them develop efficient, sustainable energy reform programmes.

In the margins of the UN Climate Summit in New York in September 2014 the EU signed five Joint Declarations with African countries on enhanced energy cooperation aimed at reinforcing the political ties between partner countries' political commitments in the field of energy and the supporting actions financed by the EU and relevant donors.

Initiatives such as the EU's Technical Assistance Facility worth EUR 47 million are available to assist partner countries in refining and developing their policies so that they can attract the necessary private investments to develop a sustainable energy sector.

Additionally, over 25 countries have chosen energy, 12 water and sanitation and eight transport as a focal sector for their bilateral cooperation with the EU within the context of the next multi annual framework (2014-2020).

Building resilience in crisis prone countries

The Commission's Resilience Action Plan of June 2013⁶ provides the framework for a continuation and scaling up of the EU efforts to build resilience with an expanded geographical scope and operating at different levels.

The Global Alliance for Resilience Initiative (AGIR) encompasses major stakeholders from 17 partner countries, regional organisations, and technical and financial partners, including donors and UN based agencies, civil society organizations and the private sector. Its objective is to structurally reduce, in a sustainable manner, food and nutritional vulnerability by supporting the implementation of Sahelian and West African policies. The EU has been a catalyst in mobilising stakeholders to provide both political and financial support. In October 2014, thanks to continued high level support by the EU, AGIR was on the right track in the three West African regional organisations as well as in 17 countries: all West African countries committed themselves to achieve, through their national and regional policies and budgets, the objective of 'Zero Hunger' within the next twenty years.

On the donor side, all technical and financial partners have put resilience at the top of their agenda. The EU has put forward EUR 1.5 billion for the period 2014-2020 to strengthen resilience in all West African countries and Chad through the 11th European Development Fund and other donors such as the WBG, USAID and EU MS are following. The EU has supported this process through financial support (EUR 2.4 million from FSTP) to the ECOWAS/CILSS to develop plans, called Country Resilience Priorities (CRPs), in all countries. At field level, EU Delegations and ECHO offices are working closely together.

⁶ SWD(2013) 227 Final, 19.06.2013

Cooperation under the 11th EDF (2014-2020) with some sixty countries in the region will focus on agriculture and food security, providing a continuing basis for prolonged support to resilience activities.

Indicators and data for climate-resilient and sustainable development

Many initiatives are in place or have been announced to support climate adaptation and resilience in those countries most vulnerable to climate change. Global efforts to set the world on a climate-change-resilient development path require an understanding of the relationships between climate change and development as well as metrics for the identification of the countries, groups of people, and sectors most seriously threatened by climate change.

The EU Joint Research Centre supports Directorate-General for International Development and Cooperation — EuropeAid in identifying indicators for climate-resilient development, which will be applied throughout the new Global Climate Change Alliance (GCCA) programme (2014-2020). Moreover, the JRC is establishing an open forum on climate-resilient and sustainable development, which will be supported by a web knowledge platform, as an interface between science and policy in these areas.

This platform will provide data and indicators and will be an open source, transparent, objective, reliable, and accurate source of information on the natural hazards related to climate change, vulnerability, adaptive capacity, mitigation, and resilience. It will provide users with indicators targeting adaptation and mitigation funding, and monitoring and evaluation (M&E) of adaptation and mitigation programmes, within the context of the 2015 Sustainable Development Goals, the 21st Conference of the Parties UNFCCC, and the UN World Disaster Risk Reduction Conference.

1.2.3. Making a difference: new instruments and aid modalities

2007-2013: a strong legacy

Over the past few years, the EU and its Member States have provided more than half (56 %) of global aid to developing countries. To highlight just a selection of notable achievements, the EU has provided aid to the poorest people in more than 150 countries worldwide through the European Development Fund and the Development and Cooperation Instrument (DCI) making a significant impact in Africa, Latin America and Asia: regions that are home to 70 % of the world's people living on less than USD 1.25 per day.

In our immediate neighbourhood, a number of strategic developments have been successfully achieved with partners to the East and South of the EU's borders including the deepening of bilateral relationships, the launch of key regional initiatives and active support for democratic transition processes in our Southern Neighbourhood.

The results obtained through the external financing instruments during the last financial period have paved the way for new, improved and adapted tools.

2014-2020: new challenges require new and sufficient targeted resources

The new external financing instruments proposed by the Commission in December 2011 which provide the strategic tools for more effective and flexible action over the period 2014-20 have now been adopted by the Council and the European Parliament and started to be implemented from 2014.

In a changing and globalised world that is affected by uncertainty and long term crisis, and where emerging economies like China, India and Brazil are asserting their influence, Europe must stand together and be an active partner in shaping global change. The external financing instruments funded by the EU budget and the European Development Fund will ensure that the EU can speak with a united and stronger voice and promote poverty reduction, democracy, peace, solidarity, stability and prosperity, both in our immediate neighbourhood and across the world.

Pursuing the external strategic objectives of the Europe 2020 strategy⁷ the new instruments translate into operational terms the priorities of the Agenda for Change. and the new vision for the European Neighbourhood Policy. Four policy priorities are at stake: enlargement, neighbourhood, cooperation with strategic partners, and development cooperation. With regards to the latter point, the overall priority remains to help the poorest in the world and work towards achieving the Millennium Development Goals (MDGs) and contribute to a global agenda for sustainable development post-2015.

Over the period 2014-2020 the total amount allocated (at current prices) for the six external relations instruments is EUR 51.4 billion. This is allocated as follows - Development Cooperation Instrument⁸: EUR 19.6 billion; European Neighbourhood Instrument⁹: EUR 15.4 billion; Instrument for Pre-Accession Assistance (IPA II)¹⁰: EUR 11.7 billion; Instrument contributing to Stability and Peace¹¹: EUR 2.3 billion; European Instrument for Democracy and Human Rights¹²: EUR 1.3 billion; and Partnership Instrument¹³: EUR 0.9 billion.

In addition, the Instrument for Nuclear Safety Cooperation¹⁴ and the Instrument for Greenland¹⁵, both adopted by the Council, will respectively provide EUR 0.22 billion and EUR 0.19 billion from the EU budget.

A further EUR 30.5 billion will be made available for cooperation with African, Caribbean and Pacific countries as well as Overseas Countries and Territories through the 11th European Development Fund (EDF), which remains outside of the EU budget for the next period.

Overall funding foreseen for all the instruments for the EU external action, including all those mentioned above totals EUR 96.8 billion.

What are the main changes?

⁷ http://ec.europa.eu/europe2020/index_en.htm

⁸ Regulation (EU) No 233/2014; OJ L 77, 15.3.2014, p. 44.

⁹ Regulation (EU) No 232/2014; OJ L 77, 15.3.2014, p. 27.

¹⁰ Regulation (EU) No 231/2014; OJ L 77, 15.3.2014, p. 11.

¹¹ Regulation (EU) No 230/2014; OJ L 77, 15.3.2014, p. 1.

¹² Regulation (EU) No 235/2014; OJ L 77, 15.3.2014, p. 85.

¹³ Regulation (EU) No 234/2014; OJ L 77, 15.3.2014, p. 77.

¹⁴ Regulation (Euratom) No 237/2014; OJ L 77, 15.3.2014, p. 109.

¹⁵ Council Decision 2014/137/EU; OJ L 76, 15.3.2014, p. 1.

The EU seeks to target its resources where they are needed most and where they can have most impact. This more differentiated approach to partnerships and aid allocation driven by specific country context is a core principle of the new Development Cooperation Instrument and European Neighbourhood Instrument. With the new Development Cooperation Instrument, the partner countries most in need, in particular the least developed countries, have been given priority in the programming phase achieved at the end of 2014.

Compared to the 10th EDF the amount allocated to the 11th EDF remains stable. The main areas of change were to insert changes foreseen by the second revision of the Cotonou agreement (such as the creation of regional envelopes for unforeseen needs and a new shock absorbing scheme), as well as to align the 11th EDF Implementation and Financial Regulations as much as possible with the other financial instruments of EU development cooperation. During 2014, the bridging facility¹⁶ covered the period until the 11th EDF enters into force in March 2015.

With the new European Neighbourhood Instrument an incentive based approach, which is one of the key aspects of the renewed Neighbourhood policy, will allow the EU to adapt its support for partner countries who are genuinely implementing deep and sustainable democracy, including respect for human rights, and agreed reform objectives.

When it comes to strategic emerging economies, the EU will focus primarily on partnerships in areas of mutual interest and will seek to more effectively promote its own strategic interests.

Differentiation also means a flexible use of implementation methods. Innovative financial instruments such as blending (the combination of grants and loans or equity to enable investments) will help graduating partner countries to tap into capital markets and close financing gaps in the poorest countries.

The Commission has committed itself to increase the share of EU aid through innovative financial instruments. Therefore, during 2014 Directorate-General for Development and Cooperation — EuropeAid has carried out exhaustive work together with development finance institutions and other stakeholders to identify specific instruments, key areas and sectors where blending can be used more¹⁷.

The European Parliament was involved in the setting of priorities for EU external cooperation prior to the programming of the external financial instruments. The Commission conducted an informal strategic dialogue with the European Parliament in the preparation of its programming documents.

Finally, the new instruments allow more flexibility to increase the EU's capacity to respond to unforeseen events and the simplified rules and procedures for programming and delivering assistance are more effective.

¹⁶ Council Regulation (EU) 2014/567; OJ L 157, 27.5.2014, p. 52.

¹⁷ COM(2014) 733 final, 15.12.2014

1.3. Keeping long-term promises

1.3.1. Progress in achieving the MDGs and preparation of the post-MDG framework

Poverty, hunger and nutrition

After the first MDG goal target of halving extreme poverty was successfully met five years ahead of schedule in 2010, just over one billion of people remained in extreme poverty in 2011. However, major regional differences remain a concern. The positive development is mostly due to the progress in the fast growing economies of East Asia. Sub-Saharan Africa (SSA) and South Asia (SA) account for about 80 % of the World's poor and will have to face the biggest challenges to eradicate extreme poverty.

The target of halving the number of people suffering from hunger is within reach. The proportion of undernourished people globally decreased from 23.2 % in 1990-1992 to 14.9 per cent in 2010-2012. But this still leaves 870 million hungry people. With concerted action by national governments and international partners the hunger target could be achieved, but more needs to be done.

Education

The MDG target to ensure that children everywhere in the world will be able to complete a full course of primary schooling has only been achieved in Latin America and the Caribbean, East Asia and the Pacific, and Europe and Central Asia. Full enrolment is far from being the reality in South Asia and Sub-Saharan Africa – despite an accelerated progress since 2010. In 2012, 58 million children, especially in conflict-affected areas and girls from poor rural households, still remained out of school.

The EC's financing support to the Global Programme of Education has been instrumental in the efforts to improve MDG targets on education. In June 2014 the Commission hosted the second replenishment pledging conference of the Global Partnership of Education (GPE) in Brussels. The Conference raised an unprecedented commitment from partner countries of EUR 26 billion in additional domestic funding to education. The donors pledged EUR 2.1 billion to the GPE itself.

Gender equality

Great progress was achieved on gender parity in primary education with an enrolment ratio for boys to girls standing at 97 % for developing countries. In secondary and tertiary education, although with similar average indexes, strong regional disparities prevail. Achievements were also made in women's political participation. In January 2014, 22 % of all members of parliament were women, up by 1.5 % in the previous year. However, inequalities in the labour market remain persistent. The share of women working in paid employment in non-agricultural activities increased globally by only 5 % between 1990 and 2012 with lowest rates in Northern Africa (20 %).

The gender commitments of EU development policy continue. To empower women and protect women and girls' full enjoyment of human rights, the focus has been put on socioeconomic empowerment, access to and control over resources, participation in political and decision making processes especially related to security and fragile situations. Specific actions have been promoted, for instance a programme in the

Central Africa Republic to support women victims of violence following the humanitarian crisis. At global level, the European Union called strongly for gender equality and women's empowerment and the promotion of human rights and opportunities for all women and girls to be considered as a universal priority in the elaboration of the post-2015 framework.

Child mortality, maternal health and diseases

The significant European Commission support to global health initiatives, the Global Alliance on Vaccines and Immunisation (GAVI) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), has contributed to progress on the MDGs at country level, in particular in reducing under-fives mortality due to increased availability of childhood vaccination programmes and prevention of malaria, tuberculosis and HIV.

The mortality rate for children under five years in 2012 was almost half of its 1990 number. The MDG of reducing global child mortality by two-thirds is thus still far from being reached. South Asia and Sub-Saharan Africa account alone for 81 % of all child deaths in the world. Stepping up efforts to decrease this high number is especially important in these two regions.

The maternal mortality ratio shows a similar picture. Despite the 45 % decrease between 1990 and 2013, the progress lags far behind the goal of reducing maternal mortality by three-quarters. Moreover, regional differences are great and persistent.

Despite the global decline in new HIV infections by 44 % between 2001 and 2012, in 2012, a record number of 35.3 million people living with HIV were registered. SSA is the region where around 70 % of all new incidents occurred. The access to antiretroviral drugs increased 40-fold between 2002 and 2012, treatment coverage for children, however, only reaches half that of adults.

Incidence of tuberculosis and deaths resulting from it continue to fall and the target of halving the spread is within reach by 2015. Still some 8.6 million people were newly diagnosed with the disease in 2012.

Malaria is one of the targets that will most likely be fully met by the deadline. Substantial work has been done in malaria prevention, leading to a decline in malaria mortality rates by 42 % globally between 2000 and 2012. More than 700 million bed nets were delivered alone in Sub-Saharan Africa in this period.

Environmental sustainability

Environmental sustainability continues to be a major challenge with an increase of carbon dioxide emissions by almost 50 % since 1990, and an average forest loss of 13 million hectares a year between 2000 and 2010. Considerable progress has been made on water provision. The proportion of people without access to improved water sources had been halved by 2010 – five years ahead of the target. Although 33 % of urban residents in developing countries live in slums, down from 40 % in 2000, their absolute number is still increasing.

The EU seeks an integrated approach to the challenges of poverty eradication and sustainable development, including environmental concerns. Over the course of 2014 the European Commission has worked hard to ensure that the follow on from the MDGs stresses the importance of present and future generations, recognising that environmental sustainability is fundamental to ensuring the sustainable prosperity

and well-being of all citizens, within finite planetary boundaries. Efforts were further focused in order to close the gap between climate change and poverty eradication and catalyse opportunities for investing in green growth.

Lessons for the transition to the Sustainable Development Goals (SDGs)

The post-2015 development agenda, including the Sustainable Development Goals (SDGs) at its core, will build on the foundations laid by the MDGs, complete unfinished business and respond to new challenges. It will also build simultaneously on the Rio +20 process.

Indeed, the transition to the SDGs provides the opportunity to address at the same time lessons learnt and gaps identified from both the MDGs and the Rio +20 processes. One central lesson is that poverty eradication and sustainable development are closely interlinked and should be addressed together. Another is that to stimulate action from all and achieve the necessary change, both at domestic and global level, a shift towards a universal agenda with goals and targets applying to all countries is fundamental.

There is a need to move from a purely quantitative approach to also address quality, for example in education and health. Moving from aggregate averages to disaggregated data will also be key in order to address inequalities and ensure that targets are met for all relevant groups, including the poorest and most vulnerable.

The Open Working Group's proposal for SDGs clearly heeds these lessons, and puts forward a transformative set of goals and targets integrating the three dimensions of sustainable development (economic, social and environmental) in a balanced manner. It addresses gaps from the MDGs and breaks new ground with goals on inequalities, inclusive and sustainable economic growth, industrialisation, sustainable consumption and production, energy, climate change, peace, justice and institutions.

Energy

Although Energy is not explicitly mentioned in the current MDGs, the relevance of access to sustainable energy as acknowledged through the EU's contribution towards the SE4ALL initiative, is feeding into the discussion to include Energy in the future SDGs. Directorate-General for Development and Cooperation — EuropeAid works towards the general agreement that access to sustainable energy services, as stated in the Agenda for Change, is one of the most powerful levers in poverty reduction will hopefully lead towards the explicit mention of sustainable energy in the SDGs.

Water and Sanitation

The MDG target to halve the proportion of people without access to clean drinking water was reached five years ahead of the 2015 deadline¹⁸. This achievement reflects the concerted effort of the international community, to which the EU made a significant contribution. In the period 2004-2013, EU assistance has helped to connect 70.2 million people to drinking water and 24.5 million people to sanitation facilities.

¹⁸ 'Progress on Drinking Water and Sanitation 2012' produced by the WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (<http://www.wssinfo.org/>)

1.3.2. Focusing on poverty

Global poverty has declined significantly since 1990 and the goal of halving extreme poverty has been achieved globally. A major role in poverty reduction was played by India and China. Nonetheless, India remains the country with the highest share of the world's extreme poor (30 %) followed by China (8 %). Similarly, regions such as Sub-Saharan Africa (SSA) and Southern Asia are still lagging behind.

Many African countries have made progress towards the MDGs, yet almost half of the population still lives on USD 1.25 or less a day. EU development cooperation has been a constant and significant supporter of African countries. In 2014 alone EDF disbursements amounted to EUR 3 billion. The MDG initiative, which the EU started in 2013, makes available additional funds for supporting countries in Sub-Saharan Africa to accelerate their progress towards the MDG targets. To date an amount of EUR 974 million has been committed.

Although Asian countries have shown remarkable growth, poverty is still widespread on the continent, income inequality is increasing and regional development is uneven. During 2014, a number of Middle Income Countries in Asia graduated and will therefore no longer benefit from bilateral allocations under the DCI instrument. Yet, they still benefited from an important set of projects and programmes funded under the 2007-2013 MIPs and from funding stemming from thematic and regional programmes notably in the areas of trade related assistance, higher education, sustainable production and consumption, regional integration, good governance and civil society. As to the Asian MIC's which can still continue benefiting from bilateral programmes, their Multiannual Programmes were approved in 2014. Priority sectors reflect the emphasis of the 'Agenda for Change' on inclusive, sustainable development, green growth, job creation and on good governance. Blending instruments have also been put in action, notably in Vietnam. In addition, measures promoting EU business interests and public diplomacy have been implemented. In Central Asia, EU cooperation has focused on agriculture and rural development, support to the social and private sectors, sustainable energy development and environmental protection, including the management of water resources.

In the Gulf region the political and security situation in Iraq and Yemen worsened during 2014. The escalation of violence has also undermined the stability of the region. The general poverty situation has deteriorated further in these countries. The EU addresses these challenges by improving governance in Iraq and basic services delivery in Yemen.

In the Pacific region, EU development assistance has continued to focus on MDG-areas that are closely linked with improving basic living conditions, especially of poor and remote populations: by improving basic health and hygiene standards through improved access to water and sanitation as well as by assuring sustainable energy supply particularly in off-grid rural and outer island regions.

Latin America and the Caribbean reduced their poverty levels to half by 2015 and also reached other MDGs, e.g. the rate of underweight children dropped from 7 % to 3 %, the access to improved drinking water sources rose to 94 % and more women are holding seats in national parliaments than in any other region. EU cooperation is focussed on increasing productivity, support diversification of production, economic integration and increased domestic resource mobilisation.

1.3.3. Strengthening human rights and good governance

In 2014, the EU continued to implement its 'Agenda for Change'¹⁹ that has set human rights, governance and democracy as a core focus of the EU development cooperation. The development activities had also to respond to the requirements stemming from the 'EU Strategic Framework and Action Plan on Human Rights and Democracy'²⁰.

The EU finalised the bilateral programming exercise with partner countries adopting strategic programming documents and multiannual indicative programmes for 2014-2020. Human rights, democracy and other key elements of good governance have been addressed either as key focal sectors or the rights-based approach has been applied in other areas of cooperation.

The EU commitment to the rights-based approach has been reflected in the 2014 Commission Staff Working Document designing a toolbox 'a right based approach, encompassing all human rights for EU development cooperation'²¹. In May 2014 the Council Conclusions welcomed this significant step and highlighted the key principles it contains.

The toolbox provides political impetus and concrete guidance on how to integrate a rights-based approach into any development programme or project along five working principles: applying all rights, participation and access to the decision making process, non-discrimination and equal access, transparency and access to information. The implementation of a rights-based approach into all EU development programmes and projects will strengthen the capacity of duty of bearers to respect, protect and fulfil human rights and the corresponding capacity of the rights-holders to know, promote, protect and claim their rights and fundamental freedoms.

In parallel with the programming exercise, the EU continued assessing the fundamental values in its budget support programmes. As of 1 January 2013, the methodology provided in the Budget Support Guidelines is implemented for all new budget support programmes.

1.3.4. Mainstreaming of cross-cutting issues

Environment and Climate Change

The EU remains firm on its commitment to make 20 % of its spending climate-relevant, and this is also true of its development cooperation. Mainstreaming of environment and climate change in development cooperation remains a top priority and the EU's development arm seeks to ensure that the EU puts its money where its mouth is by allocating at least 20 % of its budget to climate-relevant action and to ensure that biodiversity financing is doubled by 2015 and that these levels remain at this level or above through 2020 and beyond.

¹⁹ COM(2011) 637 final, 13.10.2011; Council Conclusions, 3166th Foreign Affairs Council Meeting, Brussels, 14.05.2012.

²⁰ Council Conclusions on Human Rights and Democracy; 3179th Foreign Affairs Council meeting, Luxembourg, 25.06.2012.

²¹ SWD(2014) 152 final, Brussels, 30.4.2014

In 2014 the EU sought to scale up support to the Poverty-Environment Initiative which supports 30 countries across the world in integrating poverty-environment concerns in development policy, planning and investment. Expanded public and private investment to improve the poor's access to these environmental assets can generate strong returns for poverty reduction, contribute to pro-poor growth and accelerate progress towards attaining the MDGs.

Private Sector

The private sector plays a central role in many areas of EU development cooperation. Thus on May 2014, the Commission adopted a Communication 'A stronger role of the private sector in Achieving Inclusive and Sustainable Growth in Developing Countries'²² that provides a strategic framework for mainstreaming private sector development and engagement across sectors of EU development cooperation with a particular focus on sustainable energy, sustainable agriculture, infrastructure and green sectors²³. In line with partner governments' policies, the Commission is developing ways to better integrate private sector development objectives into support strategies, and to identify modalities for using the private sector as an implementing and financing partner in these areas.

More information can also be found in chapter 3.1.4.

Research and innovation are a mean to foster development by enhancing human potential and infrastructures as well as designing new services and products. In addition, research provides evidence in support of development policies.

The communication on 'Enhancing and focusing EU international cooperation in research and innovation: A strategic approach'²⁴, adopted by the European Commission in 2012, sets "supporting the Union's external policies" as one of its three main objectives. A report on the implementation of the strategy was adopted in September 2014. Annexed to this report is a set of 11 roadmaps with international partners (2 regions and 9 countries) of the Union. These roadmaps are about setting priorities and making them visible, mirroring developments of the Union's policy-dialogues on research and innovation.

DG Research and Innovation continues to invest through Horizon 2020, the new EU Framework Programme for Research and Innovation (2014-2020), in cooperation between researchers in Europe and developing countries, to contribute to the achievement of the Millennium Development Goals (MDGs) and other international commitments such as Rio+20. Proper and appropriate cooperation between the DCI / EDF and Horizon 2020 should be ensured in future, at least for those 25 countries which have chosen energy as one of their three focal sectors for their bilateral cooperation with the EU.

As outlined in the Union's strategy for international cooperation in research and innovation²⁵ Horizon 2020 is first of all open to the participation of researchers from across the world, which entails that the majority of developing countries are eligible

²² COM(2014)263 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014DC0263&from=EN>

²³ Actions 6 to 9 of COM(2014)263, 13.5.2014

²⁴ COM(2012) 497

²⁵ COM(2012) 497 final, 14.9.2012

for funding. Secondly, targeted international cooperation activities are included across the societal challenges, enabling and industrial technologies and other relevant parts of Horizon 2020.

1.3.5. Cooperation with civil society organisations and local authorities

Civil Society Organisations

In October 2012 the EU endorsed the Commission Communication ‘The roots of democracy and sustainable development: Europe’s engagement with Civil Society in external relations’²⁶. The new policy aims at achieving an enhanced and more strategic approach to EU engagement with local civil society organisations (CSO) in partner countries, in order to build stronger democratic processes and systems of accountability, achieve better development outcomes through constructive relations between States and CSOs, and enhance Civil Society capacity.

Although the contribution of partner countries’ CSOs to their domestic policy-making is at the heart of EU engagement, the policy also emphasises the role of CSOs in networks and international alliances that act at the regional and global levels to tackle transnational and global challenges including holding the international community accountable for delivering on aid commitments and promoting global solidarity and citizens’ awareness.

2014 has been a critical year for translating these provisions into substantive actions.

A guidance note on EU Country Roadmaps for Engagement with Civil Society was launched in January 2014. To date 76 Roadmaps (conceived as a joint initiative between the EU and Member States) have been developed out of target of 118, while several others are in the pipeline. Many Delegations have been using the Roadmaps as an entry point to reach out to a broader range of CSOs in order to have a more strategic engagement and dialogue, going beyond the question of financial support. The roadmaps are also instrumental in strengthening EU collaboration and coordination with Member States and other international players, as well as to give visibility to the work carried out by the EU.

In addition, under the Multi-Annual Financial Framework for 2014–2020 a specific actor-based programme to benefit CSOs and local authorities (LA) was adopted as a successor of the thematic programme Non-State Actors and Local Authorities in Development²⁷.

Local Authorities

In May 2013, the European Commission adopted the Communication ‘Empowering local authorities in partner countries for enhanced governance and more effective development outcomes’²⁸. It promotes a more strategic EU engagement with LA and their Associations in partner countries in order to unlock their full potential, focusing on good governance at the local level and a territorial approach to development. It

²⁶ COM(2012) 492, 12.9.2012

²⁷The new CSO-LA programme is further detailed in the chapter ‘CSO and LA’ of the Thematic Programmes section

²⁸ COM(2013) 280 final, 15.5.2013

supports decentralisation and State reforms, LA capacity development, smart solutions for sustainable urbanisation, and Associations of LA (ALA) at national, regional and international levels.

2014 has been the starting point for the translation of the Communication priorities into concrete actions, firstly with the elaboration of the aforementioned CSO-LA thematic programme.

In addition, the Communication recognises ALA as instrumental in achieving good governance and development outcomes at local level, particularly in linking local concerns and priorities to regional and international debates. As a result, following a negotiation process held during 2014, the Commissioner for International Cooperation and Development Neven Mimica signed, for the first time ever, five Framework Partnership Agreements (FPA) with the main regional and global networks of ALA: the United Cities and Local Governments, Association Internationale des Maires Francophones, Commonwealth Local Government Forum, United Cities and Local Governments of Africa, and the Council of European Municipalities and Regions. FPA institutionalise strategic partnerships for the period 2015-2020, deepen EU's relations with LA and foster their institutional and operational capacities thanks to financial support of EUR 20.3 million for the period 2015-2017.

The Policy Forum on Development (PFD): a space for multi-stakeholder dialogue

2014 constituted the first year of activity of the PFD²⁹ during which two meetings were held in Brussels and in Latin America. Both meetings were an opportunity for PFD members to discuss the global agenda, and notably the post-2015 framework, as well as the CSO-LA thematic programme. The PFD brings together representatives of CSO networks (Non-Governmental Organisations, Trade Unions, Cooperatives, Chambers of Commerce, Foundations, etc.) and ALA from the EU and partner countries.

Development Education and Awareness-Raising (DEAR)

In 2014, the EU sought to further implement the lessons learned from the 2012 Staff Working Document (SWD) on DEAR in Europe³⁰. To this end, the EU further engaged with stakeholders on DEAR in 2014, including with EU Member States. Following up on what the SWD identified as elements of particular added-value, such as the pan-European scope of EU-supported actions, the EU contracted 22 new large-scale projects. All of these projects are directly relevant to the objectives of the European Year for Development 2015 (EYD2015) and seek to use the momentum created by EYD2015 to further raise awareness in Europe regarding development issues and global interdependencies.

²⁹ https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Policy_forum_on_development

³⁰ SWD(2012) 457 final, 20.12.2012

1.3.6. Financing for development

The Commission continued to successfully mobilise the EU and its Member States to act as one on financing for development (FfD), and promote a comprehensive and integrated approach to all financial and non-financial Means of Implementation, throughout 2014.

Building on the 2013 Commission Communication 'Beyond 2015: towards a comprehensive and integrated approach to financing poverty eradication and sustainable development'³¹, the EU and its Member States have been able to articulate a common EU approach to financing beyond 2015 in UN discussions on financing for development during 2014. This approach will be further refined in 2015. These discussions will culminate in the Third UN Financing for Development Conference in Addis Ababa in July 2015 and the post-2015 Summit in New York in September 2015.

In the UN, the EU and its Member States have been advocating for an integrated approach to financing, which should use all resources from all actors, ensure synergies between different processes and support poverty eradication and sustainable development in all of its dimensions. Crucially, financing measures should also be set in the context of the wider Means of Implementation available to developing countries, in particular good policy measures, good governance and the creation of an enabling environment needed to maximise impact. The EU and its Member States have also pushed for merging the FfD and post-2015 tracks (arguing that the financing for Development Conference in Addis should constitute the Means of Implementation pillar of the post-2015 agenda) and for coherence with the Conference of the Parties of the UN Framework Convention on Climate Change in December in Paris.

The 12th annual EU Financing Accountability Report consolidated reporting on EU progress against development financing commitments, and provided transparency of the EU and Member States' actions in support of financing for development. The Report covered all aspects of development finance as framed by the Monterrey Consensus and the Doha Declaration. It showed that mobilising more development financing from all available sources was a necessary, but not sufficient, condition to fight poverty and foster development. It also showed that the EU's contribution to supporting developing countries went far beyond its Official Development Assistance (ODA).

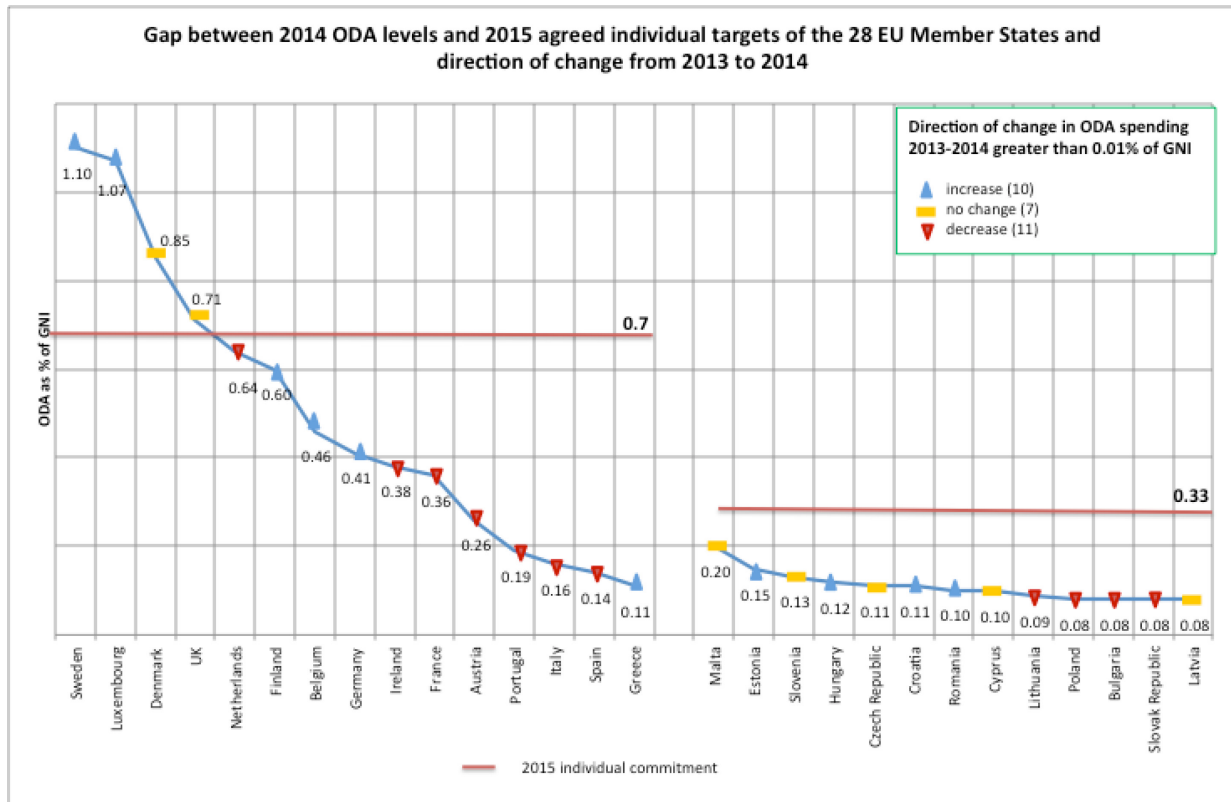
The EU and Member States have made substantial progress on the commitments concerning private investment, trade, finance relating to climate change adaptation and mitigation, Science, Technology and Innovation (STI) and innovative financing sources and instruments, and moderate progress on the commitments concerning domestic resource mobilisation, debt sustainability, remittances, biodiversity protection and development effectiveness.

At the same time, the EU and most Member States have not yet reached their collective and individual ODA targets by 2015. EU collective ODA amounted to a total of EUR 58.2 billion in 2014, corresponding to 0.42 % of combined GNI, showing an increase of 2.4% from 2013. As a percentage of GNI however, this is a marginal

³¹ COM(2013)531 final, 16.7.2013

decline from 0.43% in 2013 due to changes in the way GNI was calculated by most Member State. EU Collective ODA was however significantly higher than for other OECD donors with average ODA of 0.28% of GNI.

The EU collectively remained the world's largest donor in 2014- accounting for more than half of the ODA reported by the OECD DAC.



Member State	2012		2013		2014 (preliminary)		2015 (projected)		2015 commitment		2015 financial gap	
	EUR Mn	% GNI	EUR Mn	% GNI	EUR Mn	% GNI	EUR Mn	% GNI	EUR Mn	% GNI	EUR Mn	% GNI
Austria	860	0.28	882	0.27	863	0.26	834	0.25	2,356	0.70	1,522	0.45
Belgium	1,801	0.47	1,732	0.45	1,797	0.46	1,772	0.43	2,862	0.70	1,090	0.27
Bulgaria	31	0.08	37	0.10	32	0.08	38	0.09	137	0.33	98	0.24
Croatia	15	0.03	32	0.07	49	0.11	49	0.12	217	0.33	168	0.21
Cyprus	20	0.12	15	0.10	15	0.10	13	0.08	56	0.33	43	0.25
Czech Republic	171	0.12	159	0.11	158	0.11	148	0.10	486	0.33	338	0.23
Denmark	2,095	0.83	2,205	0.85	2,258	0.85	2,379	0.87	2,740	1.00	361	0.13
Estonia	18	0.11	23	0.13	28	0.15	26	0.13	65	0.33	39	0.20
Finland	1,027	0.53	1,081	0.54	1,232	0.60	1,012	0.49	1,458	0.70	446	0.21
France	9,358	0.45	8,543	0.41	7,817	0.36	9,349	0.42	15,493	0.70	6,144	0.28
Germany	10,067	0.37	10,717	0.38	12,247	0.41	13,121	0.43	21,406	0.70	8,284	0.27
Greece	255	0.13	180	0.10	187	0.11	158	0.09	1,294	0.70	1,136	0.61
Hungary	92	0.10	97	0.10	118	0.12	126	0.13	333	0.33	206	0.20
Ireland	629	0.47	637	0.46	610	0.38	602	0.37	1,131	0.70	529	0.33
Italy	2,129	0.14	2,584	0.17	2,519	0.16	2,660	0.16	11,436	0.70	8,776	0.54
Latvia	16	0.08	18	0.08	19	0.08	19	0.08	83	0.33	64	0.25
Lithuania	40	0.13	38	0.11	30	0.09	31	0.08	125	0.33	93	0.25
Luxembourg	310	1.00	323	1.00	322	1.07	323	1.06	304	1.00	(19)	(0.06)
Malta	14	0.23	14	0.20	16	0.20	15	0.19	26	0.33	11	0.14
The Netherlands	4,297	0.71	4,094	0.67	4,200	0.64	3,953	0.59	4,652	0.70	699	0.11
Poland	328	0.09	355	0.10	329	0.08	498	0.12	1,325	0.33	827	0.21
Portugal	452	0.28	368	0.23	316	0.19	306	0.17	1,227	0.70	920	0.53
Romania	111	0.08	101	0.07	151	0.10	161	0.11	505	0.33	344	0.22
Slovak Republic	62	0.09	65	0.09	61	0.08	77	0.10	252	0.33	175	0.23
Slovenia	45	0.13	46	0.13	46	0.13	45	0.12	124	0.33	78	0.21
Spain	1,585	0.16	1,789	0.18	1,427	0.14	1,782	0.17	7,523	0.70	5,740	0.53
Sweden	4,077	0.97	4,389	1.01	4,690	1.10	4,441	1.00	4,441	1.00	-	-
UK	10,808	0.56	13,498	0.71	14,612	0.71	16,830	0.70	16,830	0.70	-	-
EU15 Total	49,749	0.42	53,021	0.44	55,094	0.43	59,522	0.45	95,150	0.72	35,629	0.27
EU13 Total	964	0.10	1,000	0.10	1,053	0.10	1,248	0.11	3,733	0.33	2,485	0.22
EU28 Total	50,713	0.39	54,021	0.41	56,147	0.41	60,770	0.42	98,883	0.69	38,113	0.27
EU Institutions ODA	13,669		11,995		12,139							
of which:												
Imputed to Member States	9,125		9,122		10,072							
Not imputed to Member States	4,544	0.04	2,873	0.02	2,067	0.02	2,338	0.02				
Collective EU ODA ⁽²⁾	55,257	0.43	56,894	0.43	58,214	0.42	63,108	0.44				

Note: (1) Apparent inconsistencies in the table are due to the rounding up to two decimals

(2) Including EU institutions' ODA not imputed to Member States. Shaded cells are Commission estimates. ODA = official development assistance. The Danish Government has committed to the target of 1% of ODA/GNI but has not set a fixed timetable for reaching it.

Gap between 2014 collective EU ODA and 2015 collective EU ODA target (0.7%)

Target in EUR Million 96,796
Gap in EUR Million 38,582

Collective EU ODA is the sum of the ODA reported by the EU institutions and by the Member States. It includes EUR 2.0 billion of ODA loans of the European Investment Bank's own resources (2014) that are not imputed to EU Member States and are additional to the EU28 Total. Without the aforementioned change in GNI methodology, EU collective ODA in 2014 would have reached 0.44% of EU GNI. The total ODA of the EU Member States alone that year stood at EUR 56.1 billion, or 0.41% of combined GNI.

Sources:

- For figures 1995 – 2014
 - For OECD members: OECD/ DAC.
 - For non-OECD EU Member States: OECD/ DAC where available, otherwise Member States data. Data for Cyprus is estimated at the same volume and GNI ratio as 2013, as 2014 figures are not yet available.
- 2014 ODA figures are preliminary.
- For figures 2015, Commission simulation is based on:
 - Member States' ODA estimates when available,

- Commission projections using compound annual ODA growth rate for 2008-2013 when Member States have not provided ODA estimates.

Official EU GNI projections from the annual macro-economic database (AMECO) of the European Commission.

1.3.7. *The role of the private sector*

The private sector is emerging as an active player in the development field, with increasing public-private collaboration in development cooperation. As a result, interactions between donors and the private sector have intensified and become more complex.

Following extensive stakeholder consultations in the EU and partner countries, including the private sector, the Commission adopted on 13 May 2014 a Communication 'A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries'³². This new strategy introduces private sector engagement as a new dimension in EU development cooperation. The Commission will look beyond public support to improving the business environment and framework conditions for private sector development in partner countries to also harness the potential of closer engagement of the private sector for development, both as a financing and implementing partner in EU development cooperation, and by encouraging the positive development impact which comes from companies' engagement in development as part of their core business strategies.

The Communication proposes 12 actions in areas where the Commission can add value. These address better regulatory environments in partner countries, business development support and access to finance, especially for micro, small and medium-sized businesses in the formal and informal sectors that play a particularly vital role in job creation.

The Communication also identifies actions in other areas such as sustainable energy, sustainable agriculture, infrastructure and the green sectors, where private sector engagement can effectively complement and add value to EU development assistance, including through the use of blending (combining grants and loans).

It finally encourages the private sector in partner countries, the EU and beyond to engage in responsible investment, sustainable trade, inclusive business models and other strategies as part of its core business to enhance economic opportunities for the poor and thereby achieve development aims.

The Communication also provides guidance to the EU and its Member States on how best to engage with the private sector for achieving development outcomes. To this end, it proposes a set of principles for private sector engagement in EU development cooperation. In particular, clear criteria in the provision of direct support to private sector actors have been defined to ensure that public support is additional to what the private sector can do on its own, leads to measurable development impact and promotes high standards.

³² COM(2014)263, 13.5.2014

The communication has been discussed thoroughly in the Council of the European Union, and the Foreign Affairs Council (FAC) has adopted in the course of 2014 two sets of Council Conclusions. On 23 June 2014, a first set were adopted under the Greek Presidency³³ welcoming the principles and priorities of the Commission's communication. Under the Italian Presidency, a second set³⁴ was adopted on 12 December 2014 with a specific focus on the principle and criteria that Member States have committed to apply, innovative financial instruments and mechanisms, the dialogue with the private sector, the promotion of responsible business practices and finally donor harmonisation and aid effectiveness in this area.

1.4. Better and more effective aid

1.4.1. Aid effectiveness and joint programming

The Global Partnership for Effective Development Cooperation (GPEDC) is the key framework for the aid and development effectiveness agenda. The Commission represented the EU constituency in the GPEDC Steering Committee (SC), being one of the three representatives of donor partners in the SC, which met in 2014 in Abuja (February) and New York (July).

The first GPEDC High Level Meeting (HLM) took place in Mexico on 15-16 April 2014. It highlighted its ability to convene a genuinely diverse group of actors, its focus on important issues for developing countries, the mechanism put in place to monitor and measure progress, and its commitment to improve effectiveness on the ground. Thirty nine Voluntary Initiatives were launched at the Mexico HLM, with the European Union putting forward officially the commitment on Joint Programming.

Joint Programming helps respond to partner countries growing requests to reduce aid fragmentation and transaction costs placed on their institutions. It also improves transparency, predictability, coordination, and reduces bureaucracy and costs for all actors involved.

In 2012, 52 partner countries were deemed suitable by EU Heads of Mission as good candidates for EU Joint Programming. This means 60 to 70 % of bilateral aid managed by the European Commission would be planned and implemented through joint programming processes.

An analysis of the 52 countries shows that they are widely spread over almost all regions (see tables below). Almost half (25) of the countries are in sub-Saharan Africa, with West Africa being the most common region. Asia has nine potential joint programming countries.

Table 1. GEOGRAPHICAL DISTRIBUTION OF JOINT PROGRAMMING

³³ http://www.gr2014.eu/sites/default/files/FAC%20Conclusion%203_0.pdf

³⁴ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/146174.pdf

Region	No. of JP Countries	% of Global JP Countries
Africa – Western	11	22
Asia	9	18
Africa – Eastern	7	17
Neighbourhood - Southern	7	6
Latin America	6	12
Africa - Southern	4	16
Neighbourhood - Eastern	3	6
Africa – Central	3	5
Caribbean	1	4
Middle East	1	3

The majority of joint programming countries are either in the least developed or lower-middle income group (see table below). 54 % of countries where joint programming has been launched are classified by the OECD as fragile states.

Table 2. PARTNER COUNTRY TYPES

Type	No. of JP Countries	% of Global JP Countries
Upper-Middle Income	5	10
Lower-Middle Income	18	35
Least Developed	27	52
Fragile State (OECD)	28	54
Non-Fragile State (OECD)	24	46

All Member States with a development presence in the partner countries participate in Joint Programming. Most Member States are present in at least some of the joint programming countries. Particularly well represented are France (present in 45 joint programming countries), Germany (41), Italy (31), UK (26), Sweden (20), Denmark (20), the Netherlands (18), Belgium (17) and Spain (17).

Preparations for the Joint Programming process are underway in 18 partner countries. In 14 partner countries Joint Programming documents were finalised or in the process of finalisation by end 2014. The table below summarises the amounts of bilateral programmable assistance in these 14 countries over the current programming cycle. Some EUR 11.5 billion is being jointly programmed, with the EU contributing EUR 4.3 billion.

Table 3. FINANCIAL WEIGHT OF JOINT PROGRAMMING

A. COUNTRY	B. EU allocation (EUR million)	C. Total EU + MS (EUR million)	D. Joint programming multiplier (C/B)	E. Period under current discussions
Burma/Myanmar	300	870	2.9	2014-2016 (3 years)
Burundi	312	669	2.1	2012-2015 (4 years)
Cambodia	471	1047	2.2	2014-2018 (5 years)
Chad	442	582	1.3	2015-2020 (6 years)
Comoros	101	135	1.3	2014-2020 (7 years)
Ghana	319	1500	4.7	2014-2016 (3 years)
Guatemala	186	500	2.7	2014-2020 (7 years)
Laos	33	175	5.3	2014-2015 (2 years)
Mali	598	1747.6	2.9	2014-2018 (4 years)
Namibia	68	166	2.4	2014-2016 (3 years)
Rwanda	541	1473	2.7	2014-2018 (5 years)
Senegal	200	1200	6.0	2014-2017 (4 years)
South Sudan	345	920	2.7	2011-2013 (3 years)
Togo	216	483	2.2	2014-2020 (7 years)
Total	4 360	11 465	2.6	

In 2014, three regional joint programming workshops were held: in Guatemala (for Latin America/Caribbean), Ethiopia (East, Central and Southern Africa) and Ivory Coast (West Africa). The EU also produced guidance based on accumulated good practice, which has been careful to focus on its voluntary, partner country-focused nature.

It was found that:

- Joint programming is starting to be used to improve sector coordination, including better divisions of labour within sectors; the greater use of joint aid modalities (such as budget support, pooled funding, delegated cooperation, and trust funds etc.); increased sector dialogue; and the facilitating of work with non-EU donors.
- There are first moves towards results frameworks (joint goals/indicators built on partner country systems) as well as joint monitoring, evaluation and reporting.
- We are seeing the first steps towards reduced duplication and other transaction costs for example through the full or partial replacement of bilateral programming documentation with joint programming documents.

- Joint programming can facilitate potential ties-in with other policy actions such as: CSO roadmaps, early warning systems in fragile countries, and budget support risk assessments.
- Joint programming shows the EU speaking with one voice, enabling it to make full use of the weight of its presence in a partner country including facilitating joint EU positions.

1.4.2. Cooperation with the donor community

Close cooperation with the OECD on development issues continued at all levels in 2014. Throughout the year, the Commission participated actively in the work of the OECD Development Assistance Committee (DAC), of which the EU is a full member. In particular, the Commission contributed to the discussions at senior and ministerial level covering issues of great relevance for the future global development agenda such as the post-2015 development goals, the Global Partnership for Effective Development Cooperation and financing for development. The latter was the subject of the July Tidewater conference in which Commissioner Piebalgs participated and the DAC Ministerial meeting of December at which a landmark reform of the concessionality provisions for development loans was agreed, finally recognising EIB loans to developing countries. The Commission also contributed to promoting a more active involvement of emerging donors into OECD's work.

As part of the broader **EU-US strategic dialogue**, the Commission chaired regular consultations with its US counterparts (USAID and US State Department) in the context of the EU-US development dialogue established in 2009, with the aim of deepening cooperation on the ground and at policy level. This dialogue notably contributed to raising political awareness at global level around the post 2015 development agenda and other issues of common interest such as resilience, energy, security and development as well as to better coordinate actions in the field. Further impetus was given by the EU-US Summit in March 2014. As an example of enhanced coordination, a number of EU delegations and USAID offices are now closely cooperating, sharing country assessments, comparing strategies and exploring synergies at sector level. Strong synergies are being developed in food security/resilience, sectors where both sides are very active, notably in the Sahel and the Horn of Africa.

Consultations were held with **Japan** in Brussels in July in the framework of our development dialogue. Field cooperation between JICA and EU Delegations has been enhanced.

Dialogue with **China** has been strengthened on global and regional development issues notably through the visit of Commissioner Mimica to Beijing in November 2014.

The annual EU-**Korea** Development Policy Dialogue held in March 2014 showed that both parties largely share similar development thinking. Relevant contacts with the Korea International Cooperation Agency (KOICA), Exim Bank and civil society organisations were also established.

The European Commission continued to deploy efforts to engage with **new donors** and to progressively shift its relationships with them towards more strategic partnerships on global/regional development issues.

1.4.3. Cooperation with international organisations

United Nations

In 2014, the Commission was involved in a variety of different UN-related processes with an impact on development. Council Conclusions based on Commission inputs were adopted with an EU position preparing for the UN Conferences on Small Islands Developing States (September 2014) and on Landlocked Developing Countries (November 2014). Both conferences had a successful outcome with active EU participation and high EU visibility.

Within the framework on the UN General Assembly (UNGA) and the UN Economic and Social Council (ECOSOC), the Commission contributed actively to the preparation and outcome of development-related High Level Meetings, notably the Development Cooperation Forum and the High Level Political Forum (July 2014), the UNSG Summit on Climate Change and the UNGA Special Session on the review of the Programme of Action of the International Conference on Population and Development (September 2014).

The Commission also contributed to more than 40 UNGA resolutions with direct impact on development, including the adoption of the report of the Sustainable Development Goals Open Working Group, other resolutions and the UN ECOSOC ministerial declaration. Cooperation with UN agencies, funds and programmes was actively pursued with particular emphasis on giving visibility to our partnership.

In 2014 the Commission also renewed a Memorandum of Understanding with the United Nations Programme for Environment (UNEP) which was signed at the 1st UNEA in Nairobi on 25 June.

A number of UN organisations also participate in the EU framework programme for research and innovation. Throughout the whole duration of the 7th Framework Programme, UN organisations that were more active in EU-funded research projects were the World Health Organisation (WHO) and the UN Organisation for Education and Scientific Cooperation (UNESCO).

International Financial Institutions (IFIs)

Strategic and strong engagement with IFIs was reflected in the WBG/IMF Spring and October Annual meetings in Washington that addressed the Global Economic Outlook, actions needed to revive the world economy and the global financial architecture. The Commission continued its efforts in the framework of its strategic partnerships with the IMF for Sub-Saharan Africa, Middle East and North Africa (e.g. through contributions to trust funds, strengthening transparency on revenue from natural resources, and improving tax policy and administration).

The initial implementation of the new WBG strategy brings greater convergence with the EU vision for the post 2015 agenda; a result to which the high-level dialogue with the WB certainly contributed.

The Commission has continued its operational cooperation with IFIs, in particular multilateral development banks, both global and regional, providing a substantial contribution to the funding of their activities. This also included negotiating new

framework agreements with the WB and the IMF and other IFIs to adapt to the new Financial Regulation.

G20

In 2014, the Australian Presidency narrowed the Development Working Group (DWG) agenda by prioritising Financial Inclusion, Infrastructure and Domestic Resource Mobilisation. The EU supported these priority areas by involving Member States in efforts to drive down remittance costs, by linking infrastructure work to a German-led initiative involving the private sector in green infrastructure investment and by developing programmes to support tax authorities in Low Income Countries (LICs). The EU has also continued to press for action on the critically important Fossil Fuel Subsidy Reform and provided strong support for representation of groups such as the African Union at Summits and other meetings.

For 2015, Turkey's key themes are inclusiveness, implementation and investment for growth. Turkey considers the DWG essential to understand LICs' needs and ensure G20 actions have a positive impact on LICs. There is general agreement on the importance of the DWGs efforts in contributing to a successful outcome from the post 2015 and Financing for Development discussions. Turkey is prioritising Infrastructure, Food Security and Financial Inclusion. Domestic Resource Mobilisation and Human Resource Development work is proceeding and Turkey has introduced a new initiative on Inclusive Business.

G7

In 2014, the main focus of the G7's development related work continued to be on agriculture and food security. The 'New Alliance to improve food security and nutrition' was expanded. The EU continued to play an active role with other G7 leaders to build the partnership between partner governments in Africa, G7 countries and the private sector to lift 50 million people out of poverty in the next ten years by supporting agricultural development.

Priorities for 2015 include supporting the responsible management of global supply chains. The EU will in particular support the German "Partnership for sustainable textiles" initiative, which aims to promote responsible business practices in developing countries to implement social, ecological and economic standards for the entire value chain of raw material, textile and clothing production.

1.4.4. Coherence between development and other policies

Policy Coherence for Development (PCD) emerged in international discourse in the early 1990s against a background of growing concerns as to the effectiveness of aid. The underlying assumption is that limiting policy incoherence and developing synergies among different policies will lead to increased effectiveness of development cooperation. This principle is embedded in the Lisbon Treaty which stipulates that 'the Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries' (art. 208). The inclusion of PCD in its fundamental law sets the EU apart on the international stage.

PCD is a legal and policy commitment shared by the Commission and EU Member States. Since 2007, progress on PCD mainly in the Commission and in EU Member States is monitored in a biennial report published by the Commission. In 2014 preparations were made for the publication of the fifth EU PCD Report which is scheduled for the second half of 2015.

Measurement of impacts of policies and of progress on PCD is a long term endeavour due to the complexity of issues and considered as work in progress.

In 2014, the Commission continued its efforts to strengthen PCD at various levels. A potentially strong tool for promoting PCD are Impact Assessments (IA) which are compulsory under Commission rules for every major new policy initiative at EU level. IA allow ex-ante assessments of policy proposals and can help to ensure that impacts on developing countries are taken into account at an early stage of the preparation of a political initiative. In the context of the revision of IA Guidelines under the lead of the Commission Secretariat General, Commission services made a proposal for a specific toolkit to give guidance on how to take account of development objectives in other EU policies.

Based on the 2014 Commission Work Programme, policy initiatives which potentially have an impact on developing countries were identified with the aim of raising awareness among Commission services of the relevance of PCD at early stages of the initiatives.

EU Delegations can play an important role in providing feedback on the impacts of wider EU policies on our partner countries. For this reason, the Commission and the European External Action Service (EEAS) jointly conducted a first reporting exercise from Delegations at the beginning of 2014 with 41 reports received covering 62 partner countries. Based on the feedback, the Commission started to develop a targeted training tool on PCD based on e-learning and on-site sessions to further raise knowledge and awareness in Delegations. Among other things, a regular reporting mechanism from Delegations on PCD is envisaged and Delegations are being encouraged to engage in regular discussions on PCD with partner countries, Member States and civil society at country level.

Encouraging external assessments and PCD-targeted research are important tools for strengthening PCD. In this context, the Commission launched an external study that explores the links between the EU trade regimes and growth, poverty reduction and economic diversification in developing countries using innovative approaches. The study will provide useful information for the improvement of coherence between trade and development policy. It is scheduled for publication during the first half of 2015.

The international reflection on the post-2015 framework has further highlighted the key importance of 'beyond-aid' issues, including PCD. The Commission organised in June 2014 an international workshop on 'How to promote policy coherence and PCD-approaches in the Post-2015 framework?'. The aim of the workshop was to engage Member States, academics and civil society in a dialogue and reflection on the role of policy coherence and PCD in particular as an important mean of implementation for the new global agenda.

Also, the Commission has been actively contributing to the work of the OECD PCD-unit with a view to knowledge sharing and further developing tools for measuring

progress on PCD. During the year, the Commission convened two meetings of the network of Member States PCD focal points. This informal network allows sharing of information on national processes and PCD priorities and alerts Member States to important events and issues relevant for PCD at EU level. It also allows reflection on cross-cutting issues and disseminating good practices.

1.5. Outlook 2015

2015 is a pivotal year. Through the adoption of the post-2015 development agenda, the international community will be called upon to respond in a transformative manner to fundamental challenges facing the world today: eradicating poverty, achieving inclusive and sustainable development, ensuring the promotion and protection of all human rights and fundamental values as the basis for peaceful and prosperous societies.

Two high-level international meetings provide the opportunity to agree on a new agenda including a set of Sustainable Development Goals (SDG). They are the Third International Conference on Financing for Development in Addis Ababa in July and the United Nations (UN) summit for the adoption of the post-2015 development agenda in New York in September. This process must bring together and build upon earlier initiatives, in particular the Millennium Development Goals and the 'Rio+20' Conference on Sustainable Development. It will also have important implications for negotiations under the UN Framework Convention on Climate Change.

Significant progress has already been achieved through various processes at the UN. The report of the Open Working Group on SDGs³⁵, the report of the Intergovernmental Committee of Experts on Sustainable Development Financing³⁶, and the UN Secretary-General Synthesis Report³⁷ provide key contributions and show that a global agreement on an ambitious post-2015 agenda is within reach.

The EU has consistently played an important and constructive role in these processes, providing key inputs and engaging actively with partners at all levels. The European Commission Communications of February 2013³⁸, July 2013³⁹ and June 2014⁴⁰, February 2015⁴¹ and the Council Conclusions of June 2013⁴², December 2013⁴³ and December 2014⁴⁴ articulate the EU's vision for a post-2015 agenda that needs to be global and universal, incorporating all three dimensions of sustainable development: social, economic and environmental.

³⁵ A/68/970, 'Report of the Open Working Group of the General Assembly on Sustainable Development Goals', 12 August 2014.

³⁶ A/69/315*, 'Report of the Intergovernmental Committee of Experts on Sustainable Development Financing', 15 August 2014.

³⁷ A/69/700, 'The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet', 4 December 2014.

³⁸ COM(2013)92, 27.2.2013.

³⁹ COM(2013)531, 16.7.2013.

⁴⁰ COM(2014)335, 2.6.2014.

⁴¹ COM(2015)44, 5.2.2015

⁴² 11559/13 'The overarching post-2015 agenda', 25 June 2013.

⁴³ 17553/13 'Financing poverty eradication and sustainable development beyond 2015', 12 December 2013.

⁴⁴ 16827/14, 'A transformative post-2015 agenda', 16 December 2014.

Implementing such a far-reaching agenda presents a complex challenge but also a unique opportunity to redefine and strengthen the way the global community works together. In order to deliver the post-2015 agenda, a new global partnership for poverty eradication and sustainable development is required. For this global partnership to succeed, all parties will have to contribute. The EU is committed to playing its full part, working constructively with others, and looking forward to their active participation.

2. CHAPTER 2 - IMPLEMENTATION: GEOGRAPHIC OVERVIEW

Introduction

EU development cooperation is mainly based on three geographical instruments: the European Development Fund (EDF), the Development Cooperation Instrument (DCI) and the European Neighbourhood and Partnership Instrument (ENPI)⁴⁵.

The EDF is the main source of financing for EU assistance to Sub-Saharan Africa (except South Africa), the Caribbean and the Pacific regions (ACP). The fund is separate from the EU budget: it is directly funded by EU Member States and managed by a specific committee.

The DCI and the ENPI are financed by the EU budget. The DCI covers geographic programmes supporting cooperation with 47 developing countries in Latin America, Asia and Central Asia, the Gulf region (Iran, Iraq and Yemen) and South Africa, as well as thematic programmes benefiting all developing countries⁴⁶. The ENPI supports the European Neighbourhood Policy (ENP) and covers 17 countries in the EU's southern and eastern neighbourhoods.

While some figures and data can be found throughout this chapter, detailed financial information can be found in Chapter 5, Financial Annex.

This narrative report does not cover the Common Foreign and Security Policy (CFSP)⁴⁷ or the current Instrument for Pre-Accession Assistance (IPA)⁴⁸ but they are included in Tables 5.22 and 5.23 in Chapter 5. A short section of this report is dedicated to humanitarian assistance⁴⁹.

2.1. European Neighbourhood and the Middle East

2.1.1. European Neighbourhood & Russia

Introduction

Since its launch in 2004, the European Neighbourhood Policy (ENP) has been a crucial aspect of the EU's foreign policy. It addresses issues of strategic importance, such as security, stability and prosperity in our neighbourhood, by aiming to foster sustainable and resilient economies and free and inclusive societies. It is a policy of long-term engagement, based on mutually beneficial integration and cooperation.

2014 saw some remarkable positive developments with the signature of three Association Agreements with Georgia, the Republic of Moldova and Ukraine. This new generation of agreement includes provisions on a deep and comprehensive Free Trade Area (AA/DCFTA), putting in place the most ambitious contractual

⁴⁵ Under the 2014 to 2020 financial framework, this becomes the European Neighbourhood Instrument (ENI).

⁴⁶ See Chapter 3, Implementation: Thematic overview

⁴⁷ For more information on CFSP visit http://www.eeas.europa.eu/cfsp/index_en.htm

⁴⁸ For more information on the IPA visit http://ec.europa.eu/enlargement/instruments/overview/index_en.htm

⁴⁹ For more information on humanitarian assistance go to http://ec.europa.eu/echo/index_en.htm

relations so far established with neighbourhood partners. Furthermore, relations with Morocco and Tunisia have been strengthened and continue to reflect the depth and breadth of reform efforts in these countries. The democratic transition in Tunisia has been particularly positive. Some important progress in the area of mobility also took place as the Republic of Moldova successfully implemented all the benchmarks set in its Visa Liberalisation Action Plan (VLAP), which allowed Moldovan citizens to enjoy a visa-free travel regime in the Schengen countries from spring 2014. Tunisia and Jordan also signed a Mobility Partnership with the EU in 2014.

However, 2014 was also a year of major challenges in the EU's neighbourhood. Events in Ukraine, as well as increasing Russian pressure on other Eastern partners, have put Europe's political realities into focus. Inside and outside Syria, millions of people have been displaced because of the actions of the Assad regime and Da'esh, and remain in dire need of assistance. Atrocities and human rights violations and abuses were perpetrated as well by Da'esh, Jabhat al-Nusra and other terrorist groups in the region. Renewed hostilities in Gaza have shattered livelihoods and devastated already fragile infrastructures. Libya's statehood remained at stake; the absence of functioning public authorities, the increase of violence and the lack of control of migratory flows to and from the country created favourable conditions for irregular migration and trafficking in human beings to Europe. Poverty in the neighbourhood was on the rise impacting children in particular and other vulnerable groups in society.

In this difficult context the EU has maintained a high level of engagement, for which the instruments offered by the ENP have played a central part. The new European Neighbourhood Instrument (ENI), in place since March 2014, allows for faster and more targeted EU financial assistance, amounting to EUR 15.4 billion for the period 2014-2020. In addition, civil society organisations and local authorities are better and more closely involved in preparing, implementing and monitoring EU support.

The ENI provides a predictable, long term envelope to support the agreed reform priorities in each country. Countries where substantial democratic reforms are being introduced may also receive additional funding under an umbrella programme worth up to 10 % of the value of the instrument. For this purpose, the EU assessed performance of partner countries on implementing 'deep democracy' and respect for human rights on the basis of the ENP Progress Reports.

Substantial support is also provided under ENI for regional and cross-border initiatives. Blending of EU funding with IFIs plays an increasing role, especially through the Neighbourhood Investment Facility (NIF). Funding for civil society has also substantially increased.

But the ENI is not suitable or sufficient for all needs, especially where a crisis response requires substantial additional funding at short notice. ENI funding is therefore complemented by support under other instruments, such as the Instrument Contributing to Stability and Peace (ICSP), EU humanitarian funding (ECHO) or the European Instrument for Democracy and Human Rights (EIDHR). Under these or other instruments, additional funds may need to be mobilised as required by the evolving situation in the region, for example, the responses in Syria and Ukraine.

Ukraine remained under special measures in terms of financing, whilst no programming has taken place for Syria. A number of special ENI facilities have been

introduced or improved including the NIF, a facility to support partners having concluded a Deep and Comprehensive Free Trade Area (DCFTA) with the EU, and enhanced higher education support under Erasmus+. Joint programming with Member States is being developed in some countries in the medium-term.

The current dynamic situation in the neighbourhood requires a flexible approach to planning and implementation and the EU has used all the flexibility available to it. The EU has moved with unprecedented speed and fast-tracked approval processes to meet the crisis needs in Ukraine, combining major ENI support, Macro-Financial Assistance and technical support from the Ukraine Support Group. An EU Trust Fund for Syria has been created to help address particular needs there.

Russian Federation

The EU's relations with Russia in 2014 were dominated by the issue of Russia's illegal annexation of Crimea and continuing destabilisation of Ukraine including aggression by Russian armed forces on Ukrainian soil.

The 32nd EU-Russia Summit took place in a restricted format on 28 January in Brussels, focusing on Ukraine and the Eastern Partnership (EaP). On that occasion President Putin, while stating that Russia had no problem of principle with the EaP, raised concerns regarding effects on the Russian economy of the EU-Ukraine Deep and Comprehensive Free Trade Area. It was agreed to hold technical consultations to explain how the EU's Association Agreements with several EaP partner countries will bring benefits to all partners, Russia included. The Summit also discussed the joint vision of a Common Economic Space from Lisbon to Vladivostok, which could help overcome current differences, provided the sides could first agree on a New EU-Russia Agreement, better compliance with WTO and other commitments, and more constructive cooperation in our Common Neighbourhood. A joint statement of 28 January 2014 on combating terrorism was adopted⁵⁰.

In March, the European Council decided on a graduated approach of restrictive measures (including visa bans and asset freezes) on certain Russian and Ukrainian individuals responsible for the violation of Ukraine's sovereignty and territorial integrity. Negotiations on a New Agreement and the Visa Dialogue as well as preparations for the Summit foreseen for June were suspended⁵¹.

Further to European Council Conclusions of 16 July and 30 August, in September⁵² targeted measures were taken against Russia in areas including access to capital markets, defence, dual-use goods and sensitive technologies, including those in the energy sector. Furthermore several EU-Russia cooperation programmes were suspended. The European Investment Bank and the European Bank for Reconstruction and Development also suspended the signing of new financing operations in Russia. At the end of the year the list of Russian and Ukrainian individuals and entities subject to a travel ban and an asset freeze stood at 132 persons (including persons providing support to or benefitting Russian decision-makers) and 28 entities.

⁵⁰ http://eu-un.europa.eu/articles/en/article_14531_en.htm

⁵¹ http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/141372.pdf,
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/141707.pdf

⁵² http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/143990.pdf
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/144868.pdf

Russia took retaliatory measures including a ban on the import of certain foods from the EU and several non-EU countries and also imposed a travel ban on Members of the European Parliament without disclosing who were affected⁵³.

Following a series of EU-Russia-Ukraine talks on Russian gas deliveries and prices, the EU on 30 October brokered a deal between Russia and Ukraine enabling gas supplies to continue until the end of March 2015. Among its main points were the settling of Ukrainian gas debt based on a preliminary price, the final price/debt to be determined through pending arbitration, and the agreement on modalities for new gas deliveries. In addition the European Commission worked with International Financing Institutions to ensure that Ukraine had the necessary financial means to honour its part of the agreement. The parties also agreed to ensure safe gas transit through Ukraine to the European Union. Alleging EU opposition, Russia in December declared a stop to the 'South Stream' project which would have routed gas deliveries to the EU through Bulgaria and Serbia, bypassing Ukraine as transit country. An alternative pipeline through Turkey was suggested during President Putin's visit to Ankara, with the aim to carry Russian gas to the EU with Greece as entry point.

Despite the adverse circumstances EU-Russia communication channels remained open and political dialogue continued in 2014 on issues high on the EU's foreign policy agenda such as Syria, Iran, the broader Middle East and Afghanistan. The EU also continued cooperation with Russia on global issues such as counter-terrorism, non-proliferation of weapons of mass destruction, organised crime, illegal trafficking and energy security.

The human rights situation in Russia remained a source of deep concern in 2014, characterised by further steps to restrict press freedom and civil society activities, in particular online, and incapacitate the opposition including by attempting to close down NGOs on the basis of administrative or judicial court cases⁵⁴. The EU's concerns in this regard were raised both publicly and in political dialogue⁵⁵. The biannual EU-Russia Human Rights Consultations were not held in 2014.

In the area of **Research and Innovation**, around 400 contracts have been signed by the end of the seventh Framework Programme (FP7) with the Mediterranean partner countries, with an EU contribution of around EUR 69 million. In the same period, the EU contribution to the participation of research organisations from the Eastern Partnership countries exceeded EUR 45 million.

The ERANETMED project funded through the seventh Framework Programme (FP7) was launched in 2014 and aims at reducing the fragmentation of scientific programming. It launched its first Euro-Mediterranean call with the focus on food, energy and water, amounting to co-investment of about EUR 3 million. Horizon 2020

⁵³ The European Parliament on 17 September adopted a resolution on the situation in Ukraine and the state of play of EU-Russia relations (P8_TA(2014)0025)

⁵⁴ EU Statement of 22 October on the Freedom of Association and Freedom of Expression in the Russian Federation

http://eeas.europa.eu/delegations/council_europe/press_corner/all_news/news/2014/20141022_en.htm

European Parliament resolution of 23 October on the closing-down of the NGO 'Memorial' in Russia, 2014/2903(RSP)

⁵⁵ The European Parliament on 2 April adopted a recommendation to the Council on establishing common visa restrictions for Russian officials involved in the Sergei Magnitsky case (2014/2016(INI)) P7_TA(2014)0258. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2014-0258+0+DOC+XML+V0//EN&language=EN>

was launched in a regional conference in Cairo and in one in Amman – the latter jointly with the launch of the “Support to Research and Technological Development” (SRTD II)⁵⁶. Work was also undertaken by a number of EU MS and South Mediterranean partners to develop a Partnership on Research and Innovation in the Mediterranean Area.

Four Eastern Partnership countries (Moldova, Ukraine, Georgia and Armenia) requested association to the Horizon 2020 programme. The association of Moldova became effective as of 1st January 2014, while negotiations with Ukraine were successfully concluded in November 2014 for an effective association in 2015. The association requests from Georgia and Armenia have been also positively assessed and negotiations are expected to start in early 2015, for an effective association in 2016.

Russia is the most active international cooperation partner country in research and innovation, with Russian participants involved in over 300 grant agreements in the seventh Framework Programme (FP7), receiving over EUR 60 million of EU funding. The EU-Russia Year of Science 2014 was closed in November 2014.

In 2014, two FP7 funded SSH research projects (ISSICEU and CASCADE) were launched to examine the security-democracy nexus and the intra-and inter-societal sources of instability in the Caucasus and the opportunities for the EU to respond to this (Call: FP7-SSH-2013-2)⁵⁷. The EU contribution to these projects amounts to approximately EUR 4.1 million.

From 2014, Erasmus+ is the main programme of cooperation with partner countries on **higher education and youth**. Erasmus+ provides financing mobility actions to enable periods of study abroad and joint projects for capacity building in universities. In 2015 we aim to fund around 3 200 student and staff exchanges with Eastern Partnership countries, 4 200 for Southern Mediterranean countries and 1 600 for Russia. In addition, the programme funds short time mobility projects benefitting young people, youth workers and supports volunteers.

Aid effectiveness and donor coordination

The European Union, which is a key donor in the region, plays an active role in promoting the aid effectiveness agenda in line with its international commitments in Paris, Accra and Busan.

With regard to aid effectiveness, budget support and blending facilities such as the Neighbourhood Investment Facility (NIF) have been important to increase ownership and aid effectiveness. In line with the Paris declaration and the Backbone Strategy, ownership and alignment were achieved through consensus with partner countries' authorities on priority cooperation sectors in programming documents.

In addition, the EU is a major actor for donor coordination in the region. Close **coordination** between the EU and Member States and other donors has been guaranteed in various fora.

⁵⁶ Ares(2015)966801 - 04/03/2015 programme

⁵⁷ <http://www.issiceu.eu/> and <http://www.cascade-caucasus.eu/>

Coordination can be sought at different levels: with member states in Development Counsellors meetings; with international donors in general in development partner groups; with UN agencies in UN-EU coordination meetings; or in working groups led by local authorities. In all the cases the **EU is assuming a central role** either being in the lead or ensuring technical support.

In particular, coordination, with the **mid-term goal of joint programming**, has increased in **Egypt, Palestine⁵⁸ and Morocco**. Joint programming is progressively gaining momentum in the Eastern region. **Georgia** has embarked on intense preparatory work, followed by **Armenia**.

In December 2014, a regional **EU Trust Fund** (Madad Fund) for the **Syria crisis** was established by the Commission and Italy. This should enable a more coordinated and flexible regional EU response to the consequences of this regional crisis

Working towards the MDGs

EU assistance has contributed to eradication of extreme poverty and hunger in the Neighbourhood region (**MDG 1**), for instance, through providing support to reduce the consequences of the Syrian crisis in Syria and its neighbouring countries (Lebanon and Jordan). EU support programmes on agriculture, rural and regional development continued to help reducing poverty in Moldova and Georgia. Attaining this MDG remains a challenge in other countries such as Palestine.

Primary education (**MDG 2**) also remained high on the EU's aid agenda in 2014, e.g. in Egypt, where close to EUR 100 million of programme funds were provided in addition to its education sector support programme, and in Algeria where technical assistance was provided. In Syria the Education sector programmes are contributing to efforts to ensure that a whole generation of Syrian children do not miss out on their education.

Gender equality (**MDG 3**) remained a key challenge in 2014 with a comprehensive EU response strategy that included both strong gender mainstreaming activities in virtually all major aid programmes (for example in Tunisia) as well as specific gender-related programmes with selected public and non-state actors (for example programme *Egalité homme / femme* in Morocco). A training programme on gender for all the EU Delegations in the Neighbourhood has been completed and gender sector notes developed as part of the work with mainstreaming gender into all sectors.

The EU's renewed commitment in the area of health (**MDG 4-6**) is reflected not only by its important sector support programme, in countries such as Morocco and Algeria, but also by specific health-related components in a number of other major projects, for example support to health services in marginalised areas of Tunisia. In the Eastern region projects supported non-state actors in preventing and treating HIV-AIDS.

Environmental sustainability (**MDG 7**) represents a particular challenge and is one of the EU's key priority sectors. Through the NIF, the EU supports urban investments

⁵⁸ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

for better water supply and sanitation, water and solid waste management, energy efficiency and renewable energies. Various projects focused on promoting environment sustainability in the Neighbourhood including the 'Covenant of Mayors' which has successfully promoted energy efficiency at local level. Some 120 cities have joined this initiative and started investing in energy efficient buildings, street lights, public transport, etc.

Since 2011 the EU has been in the lead to promote coordination with other donors and the different development and cooperation stakeholders' concerning the global partnership for development (**MDG 8**) (see above).

MDGs indicators for Syria have dramatically worsened since the start of the civil war in 2011.

Implementation & results:

Neighbourhood East

Bilateral cooperation

In **Armenia**, the EU continued to provide support in the areas of justice, public administration and trade related reforms amongst others. This included a strong focus on public financial management to ensure a more efficient, effective, transparent and accountable use of public funds. In 2014, this support led to the adoption of a new e-procurement tendering module, strengthened capacities in internal audit and a closer approximation of national accounting methods to international standards. In the judiciary, the EU's budgetary support helped increase the number of public defenders and more generally access to free legal aid. With EU support, a new policy framework for food safety was established in line with EU practice including measures to upgrade the national services responsible for food safety, quality control, veterinary and phyto-sanitary standards.

A major development in **Azerbaijan** in 2014 was the start of in-depth reforms in the education sector, and specifically on vocational and educational training (VET) to better match labour skills and job market demands. The EU supported this effort with assistance and advice. Thanks to an enhanced dialogue on public finance management, a Public Expenditure Financial Accountability assessment has been finalised and published for the first time in Azerbaijan. The twinning instrument remained a successful instrument with a very high implementation rate as in previous years.

The EU cooperation with **Belarus** in 2014 remained focused on sustainable social and economic development for the benefit of the population at large. The EU provided new support to help the country reform its education system and to boost employment opportunities and social prosperity of young and adult learners. Support to civil society organisations, independent media and young Belarusian students continued.

In **Moldova**, EU assistance supported reforms necessary to implement the Association Agreement and Deep and Comprehensive Free Trade Area Agreement (AA/DCFTA) that was signed in June 2014. Additional funds were granted to support the DCFTA implementation following the 'more-for-more' approach. Since April, Moldovan citizens can travel to EU without visas; a dedicated EU programme

supported reforms put in place under the visa liberalisation process (Visa Liberalisation Action Plan, VLAP). Ongoing work on sustainable development and poverty reduction continued. For instance, renewable energy projects helped improve heating systems in public buildings by using waste straw from local agricultural enterprises. The Economic Stimulation in Rural Area (ESRA) programme continued to support new rural business opportunities and create jobs. The Neighbourhood Investment Facility (NIF) contributed to leverage a significant volume of financial assistance to the country with investments mainly in the transport, energy and water sectors.

EU cooperation with **Georgia** also accompanied the signature and implementation of an AA/DCFTA. A dedicated programme on DCFTA support has been set up. Following the 'more for more' approach, additional funds were allocated to Georgia in support of human rights, agriculture and support for core public institutions. EU assistance in criminal justice helped to improve healthcare in the prison as well as to draft a new criminal code. In the field of agriculture, the EU promoted the establishment of 540 agricultural cooperatives, with more than 2 000 members (24 % women). EU support for internally displaced persons continued with 71 buildings constructed in 2014 offering more than 2 000 flats.

EU assistance to **Ukraine** in 2014 was significantly stepped up to respond to the political and economic challenges in the country. The major achievement under the bilateral cooperation programme was the accelerated adoption of a large 'State Building Contract' in the form of budget support to address short-term economic problems and prepare for in-depth reform in the context of political association and economic integration with the EU (AA/DCFTA). The State Building Contract enabled a successful dialogue with the Government on a number of key aspects including legislation in constitutional and electoral reform, anti-corruption, justice, public administration, and public finance management. Particular attention was devoted to the civil society and to the internally displaced population in the East.

Regional Cooperation

Throughout 2014, the EU continued to address common challenges and trans-boundary issues such as economic development, environment protection, interconnectivity, and contacts between people. Support to the multilateral dimension of the Eastern Partnership continued.

The Eastern Partnership flagship on small and medium-sized enterprises (**SMEs**) remained the main EU initiative to support regional economic development. Improving business climate, providing advisory service and better access to finance for small businesses was the main focus.

In the **energy** field, the INOGATE programme continued to be the main regional initiative. The programme promoted regional cooperation with EU organisations, continued working on electricity and gas with a particular focus on the areas of Energy Community Treaty (ECT), and supported the implementation of national energy efficiency and renewable action plans. The Covenant of Mayors initiative has successfully promoted energy efficiency at the local level.

In 2014, regional projects in the **environment** field continued to support water management, forest governance, air quality governance, green economy, environmental information exchanges and climate change adaptation and mitigation

initiatives. These projects have supported, for example, the preparation of new legislation on Strategic Environmental Assessment in the six EaP countries.

The activities of the **Integrated Border Management** flagship initiative supported exchanges of best practices among EU and EaP countries, provided training, advice and equipment for border-crossing infrastructure.

Contact between citizens from EU and EaP are promoted through, among other initiatives, the EaP Culture and the EaP Youth programmes.

2014 was the first year in which **Russia** no longer benefited from bilateral cooperation under the ENI, although it is still eligible for regional ENI programmes and cross-border cooperation. As a result of the review of cooperation with Russia following the illegal annexation of Crimea, some activities under regional programmes and initiatives, such as the Northern Dimension, were suspended in the second half of the year. Academic cooperation and outreach to broader Russian society as well as cross-border cooperation continued. Support to civil society and especially the work on human rights and democracy continued through instruments such as EIDHR (European Instrument for Democracy and Human Rights).

Cross Border Cooperation

The main focus in 2014 was on the adoption of a new CBC programming and regulatory framework for the period 2014-2020. There will be 16 CBC programmes in this new period. First Joint Programming Committees for all future CBC programmes were organised and the main features of the programmes (such as eligible area, objectives, allocation per objective) were defined.

Neighbourhood South

Bilateral Cooperation

In 2014, EU cooperation with **Algeria** continued to be comprehensive covering a wide range of sectors including support to SMEs, rural development, local governance, and gender equality, etc. and using multiple cooperation instruments. For example, twinning, grants to civil society, institutional support projects etc. New cooperation programmes were also adopted in the field of justice reform, support to the media and vocational training for a total amount of EUR 26.3 million.

The volume of committed and disbursed aid in **Egypt** during the past year returned to pre-2013 levels. The Annual Action Programme (AAP) 2014 for Egypt allocated EUR 30 million of Community funding to a strategic 'Access to Education and Protection for at Risk Children' programme, and EUR 115 million to two key blending operations: the 'Household Natural Gas Connection' (EGAS) for EUR 68 million and the Kafr El Sheikh Wastewater Expansion programme for EUR 17 million. In terms of implementation, in the course of the year, several important bilateral programmes and aid contracts in priority areas like Justice, Administrative Reform, Local Development, Public Finance Management, as well as Solid-Waste Management and Technical and Vocational Training, which had been facing long-term deadlocks due to the crisis, could be successfully unblocked and are now in execution.

Bi-lateral cooperation with **Israel** consists of Institutional Twinning averaging EUR 2 million yearly. In addition, under the ENI envelope, Israel participates, together with Palestine and Jordan, in the Partnership for Peace programme for EUR 5 million yearly, which aims at the promotion at societal level of the conditions for the

resolution of the Israeli-Palestinian conflict, by increasing direct civil society relationships between Palestinians and Israelis.

In 2014, two major programmes to support the **Jordanian** government's reforms were adopted: Public Finance Management and Public Administration reforms (EUR 47.5 million) and Skills for employment and social inclusion (EUR 52 million). In addition, a solid waste management programme (EUR 10 million) and the Erasmus+ special window for Jordan (EUR 5 million) were also approved. Jordan also received additional EU assistance from ENI funds aimed at dealing with the burden imposed on the country by the Syrian conflict with a package worth EUR 66 million. Most of these funds will be used to defray the cost of providing education for Syrian refugee children.

The bulk of the Delegation's ongoing programmes addressed the Syrian refugee crisis in **Lebanon**, including Palestinian refugees from Syria, mitigating the strains on Lebanon's infrastructure including schools, primary health care, waste water treatment etc. The Delegation launched new programmes in the security sector. The EU continued support to justice reform. The Office of the Minister of State for Administrative Reform continued to implement a strategy with EU support to enhance public transparency, accountability and effectiveness. With EU support the Government produced an Agricultural Strategy 2015-2019. The EU also supported Lebanon's efforts to develop renewable energy sources and encourage energy efficiency.

In **Libya**, due to political and security instability, most programmes and activities initially aimed at supporting public authorities and ministries were suspended with the exception of those supporting neutral democratic institutions such as the Constitution Drafting Assembly and the High National Elections Committee. Civil society programmes continued to empower local civil society organisations, in particular vis-a-vis the constitution awareness campaign and the reconciliation processes. Other sectors like migration, health and education have been supported in the first part of the year at strategic level and had to be reoriented to address more immediate needs due to the crisis situation.

In **Morocco** in 2014, the Commission adopted three important programmes for a total amount of EUR 198 million in support of reform of the judiciary (EUR 70 million); healthcare reform (EUR 90 million) and the construction of the Ouarzazate solar plant (EUR 38 million). Two smaller-scale projects were also funded in the context of the Umbrella programme. These were support to the implementation of the Deep and Comprehensive Free Trade Agreement (DCFTA) and support to vocational training in the green energy sector both amounting to EUR 10 million. Support to civil society was also well addressed, especially through the thematic EIDHR instrument as well as the Civil Society facility. All these actions demonstrate the EU's willingness to accompany the sustainable development of Morocco as well as to assist the country in maximising the benefits of a future DFCTA.

Following the adoption of **Palestine's** Single Support Framework, the annual Action Programme 2014 was finalised with an envelope amounting to EUR 300 million including PEGASE Direct Financial Support (EUR 168 million), Private Sector Development (EUR 10.5 million), Governance (EUR 13 million), Hebron Wastewater Treatment Plant (HWWTP) (EUR 15 million), Access to Essential Social and Public Infrastructure in Area C (EUR 3.5 million), East Jerusalem (EUR 10 million) and

UNRWA (EUR 80 million). In view of the exceptional situation in Gaza an additional EUR 12 million has been allocated to UNRWA targeting support to Gaza.

In **Syria**, bilateral cooperation with the Syrian government has been suspended since 2011. However, support through the European Neighbourhood Instrument (ENI) has continued to be provided in 2014 (EUR 41 million) to support the resilience of the affected population inside Syria complementing humanitarian aid in sectors such as education, support to livelihoods or civil society capacity building. Support has also been provided in neighbouring countries, notably Jordan and Lebanon, to help these countries cope with the consequences of the Syrian crisis. A total of EUR 213 million has been committed in 2014 through the ENI to these three countries for that purpose.

Throughout the year 2014 the EU disbursed EUR 180 million in **Tunisia**, committing EUR 169 million in grants under the Annual Action Programme (EUR 119 million under the bilateral programme and EUR 50 million under the ‘umbrella’ programme rewarding progress in reform. Seven programmes were identified under the 2014 Annual Action Programme (AAP) for Tunisia: the Recovery Support Programme IV; Programme to Support Justice Reform II; Programme to Support Tunisian Media; Programme to promote Gender Equality in Tunisia; Programme to Support the Tunisian Government in integrated border management and international protection; Programme to redevelop low income neighbourhoods in Tunisia (extension phase); and phase three of the Programme of Support to the Association Agreement and the Transition Process.

Regional Cooperation

The functioning of the **Union for the Mediterranean** (UfM) was consolidated with three successful sectorial Ministerial Meetings on industry, environment and climate change, and the digital economy. Also, the cooperation with the **League of Arab States** (LAS) was strengthened through the launch of a strategic dialogue and the organisation of the EU-Arab Foreign Ministers Meeting in June 2014. Both sides intensified exchanges on security policy including counter-terrorism. The implementation of the EU-LAS Joint Work Programme of cooperation continued with activities organised in the fields of human rights, election observation, women’s empowerment and energy.

Collaboration with LAS has been fruitful in the area of women empowerment particularly under activities jointly organised with UNWomen under EUROMED regional programme in areas such as political and economic empowerment.

In the field of **justice and police**, two follow-up programmes will continue supporting the development of a Euro-Mediterranean area of effective coordination and cooperation by strengthening the rule of law and continuously progress towards alignment with international standards.

In the area of **migration**, a new EUROMED programme contributes to strengthening dialogue and cooperation on migration, mobility and international protection issues with the objective of eventually ensuring compliance with international standards.

In the **energy sector** the High Level Euro-Mediterranean Conference on Energy in November 2014 proposed the creation of UfM Platforms on three priority areas: gas, regional electricity market and renewable energy/energy efficiency. Complementary to these efforts, the Commission financially supports the work of the Associations of

Mediterranean Energy Regulators and of Mediterranean Transmission Systems Operators. At local level, the 'Cleaner and Energy Saving Mediterranean Cities' and the 'Sustainable Urban Development Energy ' programmes provide direct support to more than 30 municipalities.

Private sector support continued in 2014 for an enabling business environment for SMEs, Business to Business linkages to promote investment, and entrepreneurial cooperation in the cultural and creative industries. In addition, EUROMED economic research networks received financial support for analysis and policy dialogue on economic challenges in the region. This was completed by an important support package through the Neighbourhood Investment Facility for micro-finance and risk capital in cooperation with European Finance Institutions to facilitate access to finance in partner countries.

In the area of **transport**, a new project on air safety was launched with the European Air Safety Agency fostering the integration of the Southern partner countries into the Common Aviation Area. In addition, the successful EUROMED Rail, Road and Urban Transport project was extended for another two years continuing efforts to accede to International Road Conventions and to improve rail safety in the partner countries.

Support to **civil society** is a key element in regional cooperation, especially since new opportunities and roles have emerged for civil society as actors for change. The EU continues to support, through the Civil Society Facility, the capacities of legitimate, credible and independent partners. In addition, the EU continues to support the Anna Lindh Foundation in its efforts to promote values of tolerance, respect and mutual understanding among different peoples and cultures in the Mediterranean. During 2014, the EU continued to fund the Council of Europe's Southern Programme in promoting democratic reforms. A programme creating an enabling environment for media reforms was launched in early 2014.

In the area of **youth**, a new project was launched with UNESCO to promote networking and exchanges among youth organisations in the Southern region and to reinforce their capacities so that young people can achieve democratic transition towards active citizenship, political participation and social inclusion. In addition to that, a pilot project was launched to facilitate learning, networking and exchange of experiences for young professionals through a placement and internship scheme in SMEs located in the EU-Southern Neighbourhood countries.

A successful UfM Ministerial meeting on **environment** and climate change took place in Athens in May 2014, addressing mitigation and adaptation to climate change, prevention of marine pollution under the UfM Horizon 2020 initiative, and sustainable consumption and production. The areas of sustainable consumption and production were tackled also through the launch of the innovative and large Switch Med programme at the start of 2014.

Inter-regional dimension

The number of **Twinning** projects launched in 2014 was the highest ever since the introduction of the instrument in the Neighbourhood region 10 years ago. The two main fields of Twinning's launched were finance and transport.

Regional **SIGMA** events have been organised as the first regional conference for Supreme Audit Institutions of the European Neighbourhood South region organised together with the Court of Accounts of Algeria.

Interest in **TAIEX** support continued to be very high although the demands received from the eastern Neighbourhood are much higher than from the southern countries.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. As a result, the first series of changes have been put into operation by the signing of newly tendered service contracts for the implementation of the new ROM system. These contracts replace those that ended in first quarter of 2014. (See also Chapter 4.1 for more details).

The new ROM system aims to provide external support to both EU Delegations and HQ operational units in terms of their own internal monitoring and reporting on results. For these purposes, significant improvements have been introduced to the new system. For ROM reviews of ongoing projects and programmes the most important features of the new ROM system are:

- Strengthening the quality of ROM reviews through:
 - systematic use of specialised thematic and senior sector expertise to undertake ROM reviews;
 - longer field missions by the experts to allow for meaningful consultations with stakeholders;
 - introduction of an external Quality Assurance (QA) system, independent of the consultants implementing the ROM services.
- Improving the coverage of ROM reviews by focusing them on project categories considered to be under increased risk conditions from the perspective of EU monitoring.

The reviews proceed on the basis of a harmonised set of rules, specifications and procedures described in the Commission's new Handbook for Results Oriented Monitoring including a new set of standard monitoring questions to be addressed by the ROM experts.

The ROM review process will be supported through a new IT tool, the ROM module, which presents a database for ROM review reports, for the comments which operational managers in EU Delegations and Commission HQ operational services may want to make on the reports, and for follow-up plans. The follow-up plan becomes the basis for the internal monitoring of the project or programme by the Delegation/HQ operational staff.

Perspectives

The EU is currently reviewing the assumptions on which the ENP is based, as well as its scope, and how instruments should be used, including how different policy sectors can better contribute to cooperation, ensuring linkages between internal and external priorities. The purpose of such a review is to ensure the ENP can, in the future, support more effectively the development of an area of shared stability, security and prosperity with our partners.

The Joint Communication 'Towards a New European Neighbourhood Policy' of 4 March 2015 outlines the major questions and issues which the EU and its partner

countries are currently facing. The results of this consultation will be announced in autumn 2015, through the adoption a Joint Communication on a renewed ENP.

The EU remains committed to building partnerships with its neighbours reflecting their respective ambitions, abilities, interests and reform objectives. The partners' reform paths and ambitions as regards their relations with the EU, and the challenges individual countries face, are becoming more and more diverse. This will require relations between the EU and its partners to become more differentiated and therefore able to respond better to the expectations and needs of each partner.

Many of the security, economic and social challenges of the Eastern and Mediterranean regions are directly linked to a low level of regional integration. Regional cooperation is essential in tackling complex common challenges such as illegal migration, terrorism and arms trafficking, which require a coordinated response. This would require continued strengthening of the regional cooperation in the Eastern and Southern neighbourhood. In this context of regional cooperation the EU will continue working in a coordinated manner and pursuing a regional approach with the statistical authorities in the two regions to improve the availability and quality of economic and social statistics, necessary to monitor progress in the countries.

In the last two years, the Union for the Mediterranean (UfM) has modernised and adapted its priorities, focussing on youth, job creation, local development, civil society support and the role of women in society. Politically the UfM has also demonstrated its benefits. The UfM has successfully resumed Ministerial meetings with four held since autumn 2013 on the topics of Women (September), Transport (November), Energy (December), Industry (February), and a meeting on Environment and Climate Change (13 May, Athens).

Regarding the Eastern Neighbourhood, focus on sector assistance, approximation to EU acquis and differentiation will remain at heart of our bilateral cooperation with **Ukraine, Georgia and Moldova**, where the EU will continue working on the implementation of AA/DCFTA including through support to private sector development, public administration reform or creating business and trade opportunities in rural areas. Support to inclusive and sustainable economic development as well as support to civil society will continue in all countries of the Eastern Partnership (EaP) region.

At the regional level in the **Neighbourhood East region**, cooperation on sustainable development and growth and energy will likely remain key aspects. Also, support to private sector and SMEs would focus on an inclusive approach by targeting women entrepreneurs.

The four Eastern Partnership thematic platforms have continued to meet twice a year to review and discuss next steps in the policy dialogue between the EU and EaP countries. The Eastern Partnership Summit in 2015 has reviewed the implementation of agreed commitments and progress achieved.

Against the background of the Ukrainian political crisis, the EU has in 2014 initiated unprecedented programmes of support to help stabilise the economic and financial situation, assist with transition, encourage political and economic reforms and support inclusive development. Support has also been stepped up in a number of ways for the Republic of Moldova and Georgia in light of the pressures they have been subject to as a result of their decision to sign the Association Agreements.

Besides facilitating access to finance via the SME Finance Facility, a new DCFTA Facility was put in place in order to facilitate the adaptation and reorientation of businesses, so as to increase the access to benefits foreseen by the agreements. With the Facility, the EU aims at mobilising EUR 150 million of grants through the Neighbourhood Investment Facility (NIF) in order to leverage up to EUR 1.5 billion of investment from IFIs in the three countries.

Support to governance and socio economic sectors in the southern neighbourhood, especially in countries such as **Tunisia**, and Morocco will likely remain important factors. Programmes to be approved in 2015 will follow priority sectors established in single support frameworks for each country with the exception of **Syria** and **Israel** where EU action focus on support in response to the Syrian crisis (including its effects in **Lebanon** and **Jordan**) and institutional twinning, respectively. The EU deploys a flexible approach to its cooperation with **Libya** in order to respond swiftly to a changing situation.

In the **Southern Neighbourhood region** a strong focus is placed on promoting inclusive and sustainable economic development in the southern Neighbourhood which reaches 60 % of the total 2015 allocation including contributions to the Neighbourhood Investment Facility. Countering radicalisation and fighting terrorism, civil society and migration is also a priority for 2015. As an overarching theme the EU continues its support to and close cooperation with the Union for the Mediterranean (UfM).

Case studies

Moldova: promoting economic stimulation in rural areas

Living conditions in the rural areas are still much worse than in the cities. 81 % of the extremely poor population of Moldova still live in the countryside. The EU funded the programme 'Economic Stimulation in Rural Area' (ESRA) to help Moldova address these challenges by creating new rural businesses opportunities and jobs.

Thanks to EU support rural businesses get more access to finance. More than three thousand grants and 200 loans guarantees were offered helping to create more than 10 000 new jobs – three out of ten of which went to women.

Rural business infrastructure improved with the creation of eight new Business Incubators in rural areas.

Entrepreneurship becomes part of labour policies. The ESRA programme provided more than 900 training days on entrepreneurship and small business development to staff from national and local public administrations. At the same time, the Ministry of Education introduced a new curriculum on entrepreneurship for technical and professional schools with more than 400 students enrolling the first year (2012-2013). As part of the dialogue on sector reforms, labour legislation was adjusted to reflect

national commitments on gender equality and women's participation in the labour market.

Maria opened a bakery in Verejeni Village in Moldova thanks to financial support offered under the ESRA programme ©EU Delegation in Moldova

Covenant of Mayors

'Implementation of energy efficient technologies in the Municipal Cultural and Educational Centre in city Ocnita'

Realised within the Covenant of Mayors – East action and funded by the European Commission in collaboration with Lithuanian Energy Agency KREA and the Moldovan NGO 'Alliance for Energy Efficiency and Renewables (AEER)'.

This project included the refurbishment of the building construction elements and installation of a heating system based on renewable energy. This building had not been renovated for many years and inefficient electric radiators were used for space heating. After performing an energy audit of the building, the project was divided into two steps: First step involved:

- ✓ Improving the insulating properties of windows and doors
- ✓ reducing air infiltration
- ✓ minimising 'cold bridges'

After implementing these three interventions energy efficiency has increased by 35 %.

Egypt: Improving the life of two million residents of Cairo's informal areas

The Commission is helping to improve the living conditions and social and socioeconomic infrastructure of two million people living in nine selected informal settlements of the Greater Cairo region.

60 % of Greater Cairo's inhabitants live in informal areas characterised by extreme poverty and population density, high pollution and lack of basic services. The Commission is assisting local communities in enhancing their services and environmental conditions. The Commission provides funding for around 100 local small and medium-scale pilot initiatives in a variety of priority sectors, accompanied by specific capacities building measures for local leaders and community members. Particular emphasis is put on empowering local youth, women and grassroots organisations.

Amid its positive results and good reception by local stakeholders, this innovative participatory programme looks set to continue receiving EU funding in the years to come, and could be replicated in more of Cairo's numerous informal areas as well as in other of the country's major cities.

Tunisia: www.Jamaity.org - a platform for Tunisian civil society

Jamaity.org (in Arabic 'my NGO') is an innovative project whose aim is to support the creation of an internet platform for Tunisian civil society.

The objective of the action is to have an interactive and participatory virtual space, which brings together different Tunisian NGOs and associations and contribute to their networking and facilitate their access to information and knowledge exchange.

A team of 10 young professionals is in charge of the platform and collects and disseminates all the information that could be relevant to associations and technical and financial partners.

The platform presents a database of NGOs and ongoing projects. Furthermore different opportunities are published regularly such as vacancies, calls for proposals, conferences or training sessions.

The data are striking (Dec 2014) 2 049 associations and 141 technical and financial partners are registered in the platform and contribute regularly. Furthermore information concerning 196 projects, 360 events, 463 opportunities and 98 publications have been uploaded in the resource centre.

INSPIRE

In 2014, the JRC provided support to the establishment of spatial data infrastructures within the context of the Enlargement and Integration Action, through targeted events and training sessions for representatives of countries within the scope of the European Neighbourhood Policy. Particular emphasis was put on the transfer of best practices, and the organisational and technological lessons learned from the implementation of the INSPIRE Directive⁵⁹ in the EU. The JRC is also extensively collaborating and exploring synergies with other international organisations that are active in the EU-neighbouring countries, such as the World Bank and the Food and Agriculture Organization of the United Nations (FAO).

DANUBE

The JRC launched the Scientific Support to the European Union Danube Strategy in 2013. This support is sub-divided into different flagship clusters and activities, one of which is the Danube Reference Data and Services Infrastructure (DRDSI). They aim to approach the scientific challenges faced by the Danube Region from an integrated and cross-cutting perspective taking into account the interdependencies between various policy priorities. In 2014, the JRC created a DRDSI platform as a unique and publicly-accessible access point to data resources in the Danube Region, gathered initial content for key organisations to display in this platform, set in motion processes with regional representatives to involve more organisations in data sharing, and provided training and workshops to relevant groups in the region including neighbouring and candidate countries. This activity can also be seen as a means of transferring knowledge about the INSPIRE Directive to neighbouring countries, an opportunity for Member States to share experiences in implementing the Directive, and the reuse of INSPIRE investments in support of policies and data beyond its environmental focus.

⁵⁹ <http://inspire.ec.europa.eu/>

2.1.2. Middle East

Introduction

The situation in the Southern Mediterranean, and consequently the cooperation between the EU and the countries of that region, remains complex and uneven.

2014 saw some positive developments with **Morocco**, **Jordan** and especially **Tunisia** continuing their internal reforms. The democratic transition of Tunisia was particularly advanced with the adoption of a new democratic Constitution (January 2014) and successful conduct of parliamentary and presidential elections at the end of the year. The cooperation of these countries with the EU was reinforced with the preparations for launching the Deep and Comprehensive Free Trade Agreements (DCFTAs) negotiations and the signature of the Mobility Partnerships with Tunisia and Jordan. A similar agreement with Morocco was concluded in 2013. The EU also backed reforms in other North African countries. However, whilst a successful economic track was widely implemented by countries of the region, the governance track met some hesitation. Faced with a deteriorating security situation, national politics were marked with governmental measures to fight terrorism, which have indirectly affected civilian populations and hindered the functioning of democratic institutions. The EU on various occasions indicated the need for lifting restrictions on human rights and fundamental freedoms. All in all, the democratic transition record of the Southern Mediterranean countries remains diverse.

With the adoption of a new Constitution and the election of President El-Sisi **Egypt** has re-emerged as a foreign and security policy player in the region. However, the formal EU-Egypt dialogue under the European Neighbourhood Policy remained de facto suspended, but with a clear understanding by both sides that the process should resume in 2015. In **Algeria**, where President Bouteflika was re-elected for a fourth term in office (April 2014), the announced constitutional reform was delayed. Negotiations with the EU on an ENP Action Plan continued. Algeria played an increasingly active role in the region, as shown in its mediation efforts in Mali and Libya.

2014 was marked by increased instability and security crises in the region. **Syria** for the fourth year continued to be embroiled in the civil war with a devastating impact on the country and across the region. Situation was aggravated further with the emergence of the self-proclaimed Islamic State (**ISIL/ Da'esh**). Its jihadist warriors launched an unprecedented offensive conquering vast areas of war-torn eastern Syria and western **Iraq**. So far, all international efforts to bring about peace or even achieve a de-escalation of violence in Syria have been unsuccessful. Since August the US led 'Global Coalition to counter ISIL/Da'esh', which includes majority of the EU Member States and many countries from the region, was formed to counter the ISIL/Da'esh threat and to support the Iraqi forces and the Kurdish Peshmerga fighters to regain ground and provide security to the population. The conflict in Syria and Iraq has also strongly impacted Lebanon's and Jordan's security and socioeconomic situations. The Syrian refugee influx continued to affect the whole region.

The rise of ISIL/Da'esh had consequences for the whole Arab world, as the group succeeded in finding followers in the Middle East and North Africa, and became the leader of many other terrorist groupings. ISIL/Da'esh activities led to further

destabilisation of the region, especially in **Libya**, whose political and security situation further declined. The country was already heavily polarised by two rival armed factions and also became an area of terrorist activities and ISIL influence. Internal violence led to the evacuation of the EU Delegation and of the EU Border Mission (EUBAM), which were relocated to Tunisia in July 2014.

Despite strong efforts by the United States to relaunch the Middle East Peace Process (**MEPP**), relevant efforts came to a halt in April 2014. In the summer, the conflict erupted with an Israeli military operation in the Gaza Strip in response to Hamas rocket fire. This further shattered livelihoods and already fragile Gaza infrastructures. By the end of the year, the Israeli-Palestinian rift deepened further.

Due to absence of functioning public authorities, increase of violence and the lack of control of **migratory flows** to and from the countries of the region, irregular migration and trafficking in human beings from the region to Europe has risen significantly.

Many of the security, economic and social challenges of the Mediterranean region are directly linked to a low level of **regional integration**. The whole MENA region remains the least integrated - politically and economically - in the world. Therefore strengthening of regional cooperation in the Mediterranean was high on the European agenda. Cooperation was reinforced through relevant regional organisations, such as the **Union for the Mediterranean** (UfM) and the EU intensified relations with the **League of Arab States** (LAS). A series of high level meetings, including at ministerial level, were conducted in 2014, as three UfM sectorial Minister Meetings took place and the EU-LAS foreign Ministers meeting was organised in Athens in June. Dialogue with the six members of the **Gulf Cooperation Council** (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) was regular and joint cooperation strengthened, especially with regard to the response to the ISIL/Da'esh threat.

The political situation in the Arabian Peninsula, Iraq and Yemen worsened during 2014 especially for Iraq and Yemen. In these countries, the escalation of violence has also undermined the stability of the region.

In **Iraq**, the surge in violence exacerbated after the national elections held in April 2014 and the rapid advances of the terrorist organisation known as **ISIL/ Da'esh** and the fall of Iraq's second largest city, Mosul, to them in June 2014. In this context, new complex and highly politicised problems appeared with the most crucial of those being the plight of more than two million refugees fleeing ISIL held territories.

As ultimately a sustainable political solution to the crisis is needed in Iraq, the EU's development cooperation towards Iraq supports current political processes by tackling the roots of the current violence and bolstering long term structural stability. The Multiannual Indicative Programme adopted for Iraq identifies three focal sectors which correspond to government priorities: Rule of Law and human rights; primary and secondary education; and access to sustainable energy for all.

Continuing the transition process after the 2011 revolution, **Yemen** continued in 2014 carrying out its National Dialogue Conference on nine core topics for the future state and its constitution. This process was interrupted in 2014 with the Houthi takeover.

The security situation throughout the country became very dangerous, and following the 5 May 2014 lethal attack on the EU's security team the EU Delegation was evacuated. Although working remotely, the EU nevertheless continued to provide

technical expertise to the Ministry of Interior to kick-start its reform and closely follows up progress in this area. In addition, support under the DCI in 2014 could be continued. A new multi annual indicative programme for 2014-15 was decided with an envelope of EUR 108 million and a EUR 51 million package adopted in 2014 aiming at enhancing resilience and basic service delivery systems.

EU cooperation in Iran is limited to supporting civil society organisations working with vulnerable people and communities such as Afghan refugees, drug addicts or, more recently, nomadic tribes. In line with the EU's dual track approach, these activities are implemented alongside the EU's efforts to engage with Iran in meaningful negotiations on its nuclear programme.

In the area of **Research and Innovation**, the MERID project is one of the newly selected Horizon 2020 projects and is of increasing importance and political relevance due to its science diplomacy dimension in the challenging Middle East region. It seeks to establish a sustainable collaboration framework between the EU and Middle East countries in research and innovation as well as to create new channels and forge new links, especially with countries that are newcomers to EU cooperation in Research and Innovation such as Iraq and Iran. The EU contribution to the project amounts to EUR one million.

From 2014, Erasmus+ is the main programme of cooperation with partner countries on **higher education and youth**. Erasmus+ provides financing to enable periods of study abroad and joint projects for capacity building in universities.

Aid effectiveness and donor coordination

The Commission was instrumental in setting up and funding multi-donor trust funds in Iraq. This multilateral approach has allowed the priorities of the Iraqi authorities to be taken into account alongside those of the EU. EU cooperation is therefore moving from joint assistance with UN agencies to more direct cooperation targeting the development of sector policies and strategies. This is a key factor in developing a culture that targets national interest via national policies and will also be the opportunity to improve donor coordination and division of labour.

Working towards the MDGs

According to the latest UNDP report⁶⁰, Iraq has made progress enrolling children in primary education with enrolment at 98.1 %. However, the net enrolment ratio in secondary education is still low (48.6 %). Iraq faces considerable challenges in its efforts to meet the 2015 MDGs, particularly in gender equality (27 % of seats held by women in national parliaments) and access to improved water sources (at 70.6 %). The EU is addressing these challenges by mainstreaming gender equality and strengthening water management services as well as enhancing access to quality secondary education.

Most MDG indicators have worsened in the aftermath of the 2011 crisis in Yemen: poverty and food insecurity affect half the population and many children remain out of school. The EU addresses these challenges by improving basic services in social protection and health (including an important focus on nutrition), and by launching

⁶⁰2015 Millennium Development Goals – Iraq (UNDP – Report 2013) - http://www.undp.org/content/dam/iraq/docs/mdgs/MDG%20Booklet%202013_C_FIN-EN.pdf

economic development programmes, primarily targeting youth, the unemployed and women.

Implementation & results:

In August 2014 the EU adopted the 2014-17 Multiannual Indicative Programme for Iraq. In line with the Agenda for Change and the Iraqi National Development Plan, the Multiannual Indicative Programme identifies three focal sectors: rule of law and human rights; primary and secondary education; and access to sustainable energy for all. The overall budget of the MIP amounts to EUR 78 million.

Case study: Developing policies for cooperation between public authorities and civil society for the benefit of Iraqi citizens

Enhancing efforts to promote an environment conducive to civil society organisations (CSOs) in partner countries is one of the three main priorities of the 'Civil Society' Communication adopted by the European Commission in September 2012⁶¹.

In Iraq, two parallel processes have been launched (one in the Kurdistan region, and another at the federal level) to strengthen the involvement of CSOs in public life. The success of both processes so far has been found to be due to the following elements:

- Ownership: Drafting groups taking part in knowledge sharing sessions helped build consensus and respond to local needs.
- Participation: Consultations were facilitated by local leaders selected through agreed criteria and trained by the EU.
- Experience exchange: Lessons learned during the preparations in Kurdistan were passed on to assist in the federal process.
- Awareness-raising: The media and parliamentarians were kept informed to garner the necessary support.
- European and region-specific expertise: Participants were exposed to direct examples from European countries as well as regional experiences to build trust and confidence.

In July 2014 the EU adopted the 2014-15 Multiannual Indicative Programme for Yemen. In line with the Agenda for Change and the Yemen National Development Plan, the Multiannual Indicative Programme identifies two focal sectors: integrated rural development to enhance the potential for growth and job creation, and thus build the resilience of the rural population, and promotion of good governance and rule of law. The overall budget of the MIP amounts to EUR 108 million. In 2014 EUR 51 million were allocated to projects increasing resilience of the rural population and governmental basic service distribution systems, such as rural development focusing on water resources and health. These allocations were significantly increased in line with the commitments made at the Riyadh donor conference in 2012 to support Yemen's transition process.

⁶¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0492:FIN:EN:PDF>

Due to the ongoing dispute over the country's nuclear programme the EU's mandate for cooperation with Iran is limited. Implementation of projects by local or European CSOs is hampered by administrative obstacles such as difficulties in issuing visas and carrying out international bank transfers and by a country context not particularly conducive to a strong civil society.

Monitoring

Due to the tense security situation in Iraq, the EU is not in a position to carry out regular monitoring of projects. Some ongoing projects are reviewed by independent experts. Additional monitoring actions are carried out in the form of monthly reports, steering committees and monitoring missions.

While the situation is similar in Yemen, an evaluation of the EU-Yemen cooperation between 2002 and 2012 was launched in 2014. The results will guide the programming of cooperation with Yemen from 2016 onwards.

(See also Chapter 4.1 for more details).

Perspectives

A flexible and prompt implementation of the Multi-Annual Indicative Programme in the areas of education, governance, democracy and the rule of law represents the most appropriate EU response to the current crisis in Iraq since it addresses the root causes of the ongoing conflict.

Yemen was undergoing a mostly successful transition process with a unique National Dialogue shaping the future state and political scene until the process was disrupted by the Houthi offensive, which destabilised the transition government and brought the process to a halt at the end of the year.

Within the wider context of the Arab Spring, and further to the election of President Rohani in June 2013, the political context in Iran seems more conducive to the work of Civil Society. The potential impact of the agreement recently reached on a Joint Plan of Action with regard to the nuclear issue will also have to be monitored.

2.2. African continental, Sub-Saharan Africa & all ACP programmes

In 2007, the EU and Africa adopted a new strategic framework for their relations, the Joint Africa-EU Strategy (JAES), based on common values aiming to promote shared interests and to tackle common challenges.

2014 was definitively a landmark year for the EU-Africa cooperation. The Fourth EU Africa Summit took place on 2-3 April 2014 under the theme 'investing in people, prosperity and peace'. 78 countries attended of which 61 were at the level of Heads of State and Government (40 African, 21 European). The Summit adopted a political Declaration, a Roadmap 2014-2017, and a stand-alone Declaration on migration and mobility. While renewing the commitment to the objectives of the Joint-Africa EU Strategy, a limited number of broad joint priorities for action have been adopted in five priority areas: Peace and Security; Democracy, democratic governance and human rights; Human development; Sustainable and inclusive development and growth and continental integration; and Global and emerging issues. The stand-alone EU-Africa Declaration on migration and mobility demonstrates the political commitment to work together on areas like combating human trafficking, the fight

against irregular migration and advancing legal migration and mobility. The Summit provided new impetus to the partnership and helped to advance the key objective of moving towards a partnership of equals and seizing shared opportunities. Considered as a success by both sides, the summit has given a strong platform to take the Africa-EU Partnership forward. An EU-Africa Business Forum attended by 1 100 participants was held at the eve of the Summit and highlighted the continued strong economic and investment ties between the two continents. Parliaments and civil society also organised events in order to feed in their views to the Summit outcome documents.

Under the African Peace Facility (APF), the key instrument for implementing the Africa-EU Partnership on Peace and Security, more than EUR 1.4 billion of assistance has so far been channelled. The APF combines short-term funding for crisis response with a longer-term support of institutional capacity building. In 2014 the EUR 750 million, three-year APF action programme was approved. Its overall orientation is broadly in line with previous APF action programmes. The direct beneficiaries remain the AU and regional economic communities with 80-85 % of the funds to support African-led peace support operations and 10-15 % to support the operationalisation of the African Peace and Security Architecture (APSA). As in the past, limited funding will also be available for quick impact actions aimed at conflict prevention and crisis management. The new elements of the APF Action Programme are: more emphasis on building sustainable African capabilities for peace operations and operationalisation of APSA; a stronger language on exit strategies and financial burden sharing in order to strengthen African ownership, but also to take into consideration the financial constraints on the APF and member state's demands on this issue; and simplification the EU decision procedure to increase speed and reactivity. In 2014, considerable support was provided to the African-led peace support operations AMISOM in Somalia and AFISM-CAR in Central African Republic (until it was integrated into UN operation MINUSCA). Furthermore, capacity building programmes are being implemented to support the implementation of the African Peace and Security Architecture (APSA) at the continental and regional level. Through the Early Response Mechanism (ERM) financial support has been provided to eight actions in 2014 focused on mediation and prevention activities but also on Human Rights and post-conflict efforts.

In 2014, Africa-EU cooperation in the priority area of human rights was strengthened. At the Africa-EU Summit in 2014, African and European leaders agreed to work together to ensure full respect for human rights, international law and gender equality, and to fight impunity and all forms of discrimination, racism and xenophobia. The EU continued to support the operationalisation of the African Governance Architecture; it provided EUR 9.8 million in support to the African Union Commission to improve its capabilities to monitor elections, to the Pan-African Parliament and to the African Commission and Court on Human and Peoples' Rights. Cooperation and dialogue with the African Union was also further strengthened in 2014 on specific human rights topics such as business and human rights.

The new priorities of the EU-Africa Summit were immediately reflected in the programming process of the newly created Pan-African Programme (the first continent wide programme) financed under the Development Cooperation Instrument with an allocation of EUR 845 million for 2014-2020. The first 12 projects worth a total of EUR 107 million were approved. They cover topics from migration, higher

education and research, to public finance management and the development of statistics.

2.2.1. Sub-Saharan Africa

Introduction

The implementation of the EU Strategy for Security and Development in the **Sahel** continued throughout 2014, with an extension to cover Burkina Faso and Chad. Respective National indicative Programmes and the Regional indicative Programme under the 11th EDF were prepared in line with the Strategy, more than EUR 5 billion will be mobilised for the Sahel region over the coming seven years (2014-2020). The EU welcomed new mechanisms for international coordination in the region: the creation of the G5 (formalised in December 2014 in Nouakchott) as a local response to regional challenges and the setting-up of the platform in Bamako to coordinate the various international donors.

Since the beginning of the political and security crisis in Mali, the EU has continuously supported **Mali's** territorial integrity, its return to constitutional order and a political settlement of the crisis through dialogue. Two CSDP missions are now deployed in Mali to contribute to the reassurance and security stabilisation process and train security forces: EUTM for the army and EUCAP Sahel Mali, launched in July 2014, for civilian forces. The EU has been involved in the Algiers peace process through its EUSR for Sahel since June 2014 as a co-mediator, together with the UN, the AU, ECOWAS and OCI and is ready to accompany implementation of a future peace accord. The European Commission continued to be fully engaged in the international follow-up mechanism of the Brussels Donors Conference, in order to guarantee the best effectiveness and transparency possible in the disbursement of the fund.

In 2014 the EU continued to actively implement its Strategic Framework for the **Horn of Africa** in pursuit of a comprehensive approach to its actions in the region. Political, financial and security support was provided to Somalia, also to the African Union for the African Union Mission in Somalia (AMISOM), to which the EU remains the biggest financial contributor. The EU development support to Somalia is based on the priorities set out in the Somali Compact endorsed in 2013 during the New Deal Conference. It focusses on state building and peace building, food security and building resilience, as well as education. The support is channelled through the coordination mechanisms established under the New Deal provisions which were gradually established in the course of 2014 and overall EUR 89 million support was approved from EDF for 2014. In June 2014 the EU signed with the Federal Government the first National Indicative Programme for Somalia which will cover the period 2014-2020 and will be financed under the 11th EDF. The total amount of the programme is EUR 286 million and first projects will start in 2015. In 2014 additional funding was also provided through the ICSP (EUR 7 million) and Food Security thematic programme (EUR 10 million). In 2014 the EU also re-opened its Delegation to Somalia currently based in Nairobi. This step enables better engagement with Federal institutions as well as interim regional administrations. Three CSDP missions are present in Somalia (EUNAVFOR Operation ATALANTA, EUTM Somalia and EUCAP Nestor) all contributing to establishing a secure and safe environment in Somalia. In addition, in 2014 the EU provided more than EUR 158 million in humanitarian assistance to Somalia, as the situation deteriorated making 3.1 million people acutely

dependant on outside assistance.

In the **Central African Republic (CAR)** in 2014 the EU has been supporting the regional effort for stabilisation. Since January a new transitional government has been in place and in September the African Union force MISCA was replaced by a UN Peace-Keeping Operation: MINUSCA. This was supported by French troops (operation SANGARIS) and since June 2014 also by an EU CSDP operation – EUFOR CAR, with about 850 troops, funded through the ATHENA mechanism. The humanitarian crisis remained serious with displaced populations inside CAR and refugees to neighbouring countries. ECHO mobilised EUR 22.5 million of humanitarian assistance in 2014 for CAR alone. European Commission development aid also scaled up, confirming the EU as the primary ODA donor to the country with the launch of the innovative EU-managed multi-donor trust fund "Fonds Bêkou" endowed in 2014 alone with EUR 36 million plus an additional EUR 27 million for health and education, EUR 20 million for the electoral process and EUR 33 million of budget support for fragile situations ('State Building Contract') that allowed basic state functions to keep running.

The EU continued to contribute to pursue durable peace and security in the **Great Lakes** region, supporting international efforts to bring stability, to address the root causes of conflict, to fight poverty and promote economic development.

The EU continued to firmly support regional integration as a fundamental element to ensure African ownership and leadership in confronting African challenges, to enhance competitiveness, and to promote peace, development and good governance throughout the continent⁶².

In the area of **Research and Innovation**, by the end of the seventh Framework Programme (FP7), some 400 contracts have been signed with the Sub-Saharan Africa countries for an EU contribution of around EUR 135 million.

The Parliament and the Council approved in June 2014 the EU participation in the second European and Developing Countries Clinical Trials Partnership programme with sub-Saharan Africa (EDCTP2) with an EU contribution of EUR 683 million. EDCTP started in 2003.

The initiative of European and African countries to jointly fund collaborative research projects, ERANET (ERAfrica), launched its first set of 17 projects in 2014 for an amount of over EUR 8 million. Projects cover the areas of 'renewable energy', 'interfacing challenges' and 'idea driven research'.

At its meeting in November 2013, the EU-Africa High Level Policy Dialogue (HLPD) selected food and nutrition security and sustainable agriculture as a priority topic for further cooperation. The conclusions of the EU-Africa HLPD were endorsed by the Heads of State at the EU-Africa Summit 2014 and gave rise to an expert working group that is tasked to work on an input to a roadmap towards a jointly funded EU-Africa Research and Innovation Partnership focusing on food and nutrition security and sustainable agriculture.

Aid effectiveness and donor coordination

⁶² http://ec.europa.eu/europeaid/where/acp/regional-cooperation/peace/capacity_building/apsa_en.htm

To improve the effectiveness of European Aid the EU and EU member states are moving towards closely coordinating the programming of their aid. In 26 of the 55 partner countries, which have been earmarked for Joint Programming (JP), EU and Member States have already begun to adopt this approach. Out of these 26 countries, 18 are classified by the OECD as fragile states and 21 are least developed countries. The countries are spread over Sub-Saharan Africa with 11 of them in West Africa, seven in Eastern, five in Southern and three in Central Africa. In 2014, Joint Programming documents were agreed or drafted for **Burundi, Chad, Comoros, Ghana, Kenya, Mali, Namibia, Rwanda, Senegal, and Togo**. Preparations are underway or planned in a further 15 African countries.

Examples of Aid Effectiveness from West Africa

In West Africa, JP is picking up speed and intensity, with good Member State engagement in the process. A JP Workshop covering West Africa took place in Abidjan on 4-5 June 2014, co-hosted with France and organised by Directorate-General for Development and Cooperation — EuropeAid and European External Action Service (EEAS).

JP documents have been signed in **Senegal** and **Ghana**. They are however an intermediate step until the full synchronisation of programming cycles and country strategies is possible. In **Senegal**, the JP document includes interventions with a budget of EUR 1.2 billion. The document has been signed by the Government, the EU Commission, Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands and the European Investment Bank (EIB). In **Ghana**, the Transitional EU JP document for 2013-2016 was signed on 6 June 2014 by the Government of Ghana, EU, Czech Republic, Denmark, France, Italy, Germany, Netherlands, Spain, DFID and the EIB covering an amount of EUR 1.5 billion.

In addition, JP documents are being developed in **Mali** and **Togo** and initial work (the joint analysis and response documents) is underway in **Cote d'Ivoire**.

Working towards the MDGs

The rate of economic growth in Sub-Saharan Africa is fast and progress towards the Millennium Development Goals has accelerated. However, the reduction of poverty has been uneven. Large differences are observed with regard to the performance of individual countries and the speed of progress on specific MDGs. Indicators on nutrition, health, water and sanitation illustrate the remaining challenges. Between 1990 and 2012, the percentage of underweight children in the sub-Saharan Region decreased by 14.3 % compared a 24 % average decrease for developing countries. The reduction of the under-5 mortality from 177 to 98 per 1 000 live births and the decrease of the maternal mortality from 870 to 460 per 100 000 births are commendable achievements, but the region still has the highest burden of maternal and child deaths. The proportion of the population with access to safe drinking water increased from 33 % to 48 % between 1990 and 2012, but 20 of the 45 countries not on track to achieve access to safe drinking water are in Africa. The use of improved sanitation facilities increased from 24 % to 30 %, while the average for developing regions rose from 36 % to 57 % of the population.

Responding to the challenges, the EU has maintained a strong focus on cooperation with the Sub-Saharan region. In addition, in 2010 the EU launched the MDG-Initiative (MDG-I) to support accelerated progress on lagging MDGs in African, Caribbean and Pacific (ACP) countries. For 90 % of the EUR one billion budget implementation contracts have been concluded with Government Institutions, Non-Governmental Organisations (NGOs) and International Organisations. The focus is on Poverty and Hunger Eradication (MDG 1), Water and Sanitation (MDG 7), and Health (MDG 4 and 5).

The examples below illustrate how the EU contributions translated into effective action at country level:

In **Botswana**, the EU supported the Ministry of Health in efforts to reduce maternal and under-five mortality (MDG 4 and 5). A cadre of Community Health Workers has been created and deployed to the six districts with the highest under-five mortality. The targets regarding the number of home visits to families with children under five years of age were significantly surpassed. 600 community health workers have been trained and deployed. The government is now considering expanding the project to 12 districts.

In **Kenya**, food security (part of MDG 1) remains a major challenge. In particular the arid areas in the north of the country are plagued by recurrent severe droughts. Given the low fertility of soils and low and highly variable rainfall, livestock has been the dominant source of livelihood in the region. The EU funded project 'Sustainable Livelihoods through Value Chain Development for Pastoral Communities in Turkana' targets a population of 855 000 in Turkana county in Northern Kenya. Implemented by Oxfam, the project is working with over 5 000 men and women in over 800 households. So far, 251 new businesses have emerged as a result of the action.

In **Zimbabwe** the maternal mortality ratio (MMR) in 2010 stood at 960 deaths per 100 000 live births according to the Demographic and Health Survey 2010-11. Every day approximately 10 women were dying in childbirth or due to pregnancy-related complications. Since 2011, the EU supported the improvement of health service delivery mainly through a EUR 32 million contribution to the UNICEF managed Health Transition Fund, and a UNFPA-managed EUR 10 million project to revitalise Maternity Waiting Homes (MWHs). A 2014 survey shows significant improvements of services and maternal health: The availability of trained health personnel (doctors, nurses, etc.) and vital medicines has improved, skilled attendance at birth has increased from 66 % to 80 %, and the MMR has fallen to 614 deaths per 100 000 live births. While the latter rate is still very high, this is the first time in 20 years that maternal mortality has decreased.

In **Burkina Faso**, the EU contributes to poverty reduction and economic growth through a general budget support programme (EUR 365.9 million), which is implemented from 2009 to 2015. The focus is on education, health and food security with some encouraging results. Between 2009 and 2013, the gross enrolment ratio for girls increased by 14 % and child stunting dropped by 10 %. An additional health sector budget support (EUR 36 million) focused on improving mainly maternal and child health. Between 2008 and 2013, the assisted delivery rate increased by 23 %, significantly decreasing child and mother mortality. The EU's support to the water/sanitation sector was implemented through a sector budget support of EUR 75 million. Between 2009 and 2013, the programme contributed to increasing access to

safe drinking water in rural areas by 15 % and in urban areas by 20 %. Percentage of households with access to a sanitation facility in urban areas increased from 19% to 29% and 83 800 latrines were built.

Implementation & results

General Overview

In 2014, EUR 982.5 million were committed for actions in Sub-Saharan Africa representing 72.6 % of the originally planned amount of EUR 1 353 million. Commitments remained below the target due to limitations of the available credits. As the 11th EDF had not yet entered into force, new commitments had to be financed from the 'Bridging Facility', which consisted of the unspent balance from the 10th EDF and of de-commitments from the 8th, 9th, and 10th EDF. As the available credits were limited, commitments had to be restricted to the actions of highest priority which could not be postponed until the entry into force of the 11th EDF.

Payments to countries in Sub-Saharan Africa under the EDF amounted to EUR 3 032 million and exceeded the disbursement target of EUR 2 957 million (102.5 %).

Establishing the legal basis for the new programming period 2014-2020

Each EDF is established by EU Member States, outside the EU Budget, on the basis of an **Internal Agreement**. The 11th EDF Internal Agreement was signed by Member States in June 2013 and requires ratification by all Member States in order to enter into force. It defines the overall amount of the 11th EDF (EUR 30 506 million) and its breakdown by broad financial envelopes, as well as Member States' contributions and voting rights.

Detailed provisions on programming and implementation of development cooperation as well as monitoring, reporting and evaluation requirements are defined in the **Implementation Regulation**. The Commission proposal for the 11th EDF Implementation Regulation was adopted by the college in June 2013 and Council negotiations were finalised in March 2014. It will apply after the entry into force of the 11th EDF.

In addition, the financial rules for the 11th EDF are set up in the **Financial Regulation**, for which Council negotiations were concluded in January 2014, and will also be applied after the entry into force of the 11th EDF. The 11th EDF Financial Regulation is also aligned to the maximum extent possible with the Financial Regulation of the General Budget.

Southern Africa and Indian Ocean

2014 marked the first year of the multi-annual financial framework 2014 to 2020. New EDF funds for this period (the 11th EDF) were not yet available, and this shaped the bilateral cooperation of the EU. For most countries, new commitments of funds were restricted by the amounts available under the 11th EDF Bridging Facility. Meanwhile, the programming exercise continued for a number of countries.

EDF cooperation for Southern African and Indian Ocean countries amounted to more than EUR 150 million of new committed operations in 2014, which corresponded to the planned forecast. During the year, the region accounted for more than EUR 500 million of new contracts, and payments for over EUR 400 million.

The Commission put in place a number of new Budget Support (BS) programmes in 2014. Out of a forecast of approximately EUR 319 million to be paid on BS, about EUR 207 million has been disbursed.

The ongoing budget support operations have contributed to the implementation of the national poverty reduction strategies and Public Finance Management (PFM) reforms in countries, such as **Botswana, Ethiopia, Mauritius, Mozambique, Namibia and South Africa**.

The Commission continued to support reforms in the area of PFM. This entailed the formal assessment of PFM systems through the Public Expenditure Financial Accountability framework (for example, five sub-national assessments were carried out in **Ethiopia**) and the continuous assessment of performance for all countries receiving budget support. The EU support to the International Monetary Fund (IMF) Regional Technical Assistance Centres (South AFRITAC and East AFRITAC) is another important intervention to help partner countries strengthen human and institutional capacity.

In the area of support to fragile states, the Commission adopted a EUR 78 million State Building Contract in favour of Madagascar. This programme is part of a post-election package developed to support the democratic transition in **Madagascar**. The signature of the relative Financing Agreement took place in December 2014, followed by a first disbursement of EUR 65 million, essential for continuing to improve public financial management and service delivery.

In parallel with the accomplishment of projects under the 10th EDF, the programming phase of the 11th EDF was a central part of the bilateral cooperation in 2014. The outlines for the years 2014 to 2020 were jointly developed by the national governments of the partner countries together with the Commission and the involvement of Civil Society.

The indicative allocation for bilateral cooperation with **Southern Africa and the Indian Ocean countries** from 11th EDF funds amounts to just over EUR 3 000 million (plus the bilateral DCI funding for South Africa from 2014-2020 of EUR 241 million).

The key sectors of focus for the region will be: governance, sustainable agriculture, human development (including health and education), water and sanitation, and energy.

Budget support will remain a relevant aid modality to provide for a coherent policy dialogue and to develop public finance management and a more stable macroeconomic framework.

EU bilateral cooperation with countries in Southern Africa and the Indian Ocean region in 2014 helped to promote key reforms of public systems and improved the lives of millions of people.

East Africa

The National Programming for the 11th EDF was concluded and formalised with the signature of the National Indicative Programmes (NIPs) with all the countries in the Horn of Africa except **Eritrea, Sudan and South Sudan** are at this stage not eligible

for a National Programme under the 11th EDF. Good progress was made on the regional programme for Eastern Africa, Southern Africa and the Indian Ocean.

In **Somalia**, the first National Indicative Programme was signed on 19 June 2014 following the endorsement of the Somali Compact in 2013. This programme will be financed by the 11th EDF and amounts to EUR 286 million. The focal sectors include support to state and peace building, building resilience and increasing food security, and strengthening the education sector.

The EU continues to be the biggest donor in Somalia and has provided EUR 548 million between 2008 and 2014. Some of the considerable results achieved include getting 100 000 children access to primary education, delivering safe water for half a million people and helping 250 000 households (1 500 000 people) produce livestock for their livelihoods and income.

In **South Sudan**, the Commission changed its approach to development cooperation following the breakout of conflict on 15 December 2013. In coordination with key international donors the Commission shifted the focus of activities to peace-building and direct support to the population. A EUR 80 million budgetary support programme (State Building Contract) was suspended before disbursements had started and the funds are being re-programmed to basic health and education. A EUR 40 million programme in support of the rule of law shifted its focus from support to Parliament, Elections Commission and Ministry of Justice to improving access to justice at community level.

Eritrea shows some willingness to reintegrate into regional activities and to reconnect with International Development Partners. Cooperation with the EU restarted in 2014. In response to food security challenges the programme will have a focus on the agriculture sector.

Also in 2014, the government issued a draft national development plan which shows its priorities for the coming years and constitutes a basis for the EU-Eritrea dialogue on 11th EDF programming.

In **Tanzania**, the EU and other international partners put on hold budget support disbursements after officials of the Independent Power Tanzania Limited (IPTL), an Electricity Utility subsidised by Government, had moved USD 122 million to offshore bank accounts. The case is being followed up by legal authorities and at political level. The EU and other donors have welcomed the actions taken. However, the resumption of budget support operations can only be considered when the underlying systemic risks have been addressed.

In **Ethiopia**, the EU will continue its support to the Road Sector Development Programme for the period 2009-2017 through budget support, which eventually will reach a total of EUR 230 million. In 2014 EUR 30 million was disbursed.

Following almost 20 years of EU-Ethiopia cooperation the road network has doubled, quality has improved, the Government is gradually taking over financing, and management capacities at national and sub-national level are improving. Each year, the percentage of population residing within two kilometres from all-season roads has increased by 2 %. Today more than 65 % of villages have access to the national road network including during the rainy season.

West and Central Africa

In line with the Agenda for Change, the EU's bilateral cooperation with countries in West and Central Africa contributes to poverty reduction and sustainable development in some of the poorest, crisis vulnerable and conflict-affected parts of the world. These core objectives are firmly enshrined in the 11th EDF National Indicative Programmes (NIPs) that were developed and negotiated during the course of 2014.

Finalising the programming of the 11th EDF national envelopes was one of the key objectives for the EU's cooperation with West and Central Africa in 2014. By the end of 2014, 19 out of 25 NIPs with **Central and West African countries** were adopted and signed. The NIPs for **Congo Brazzaville, Liberia and Mali** were signed in early 2015, whilst those for **The Gambia** and **Guinea Bissau** should be adopted later in the course of 2015. For the **Central African Republic (CAR)** discussions are planned to begin after the 2015 elections. The main priority sectors chosen for each country fit with the priority sectors identified in the Agenda for Change. The combined 11th EDF NIPs of the nine Central African countries and 16 West African countries amount to a total of more than EUR 7.8 billion.

Among the new commitments was a package of EUR 119 million in assistance (electoral support, social sectors, food security emergency budget support) to the **CAR**, which contributed to the short term stabilisation of the country. In particular the State Building Contract (budget support) helped to prevent a further collapse of the public sector by contributing to secure the payment of civil servant's wages. The package also included the EDF contribution to the newly created Bêkou Trust Fund, which became operational in the second half of 2014 (see chapter 4.2.1). Other new commitments include assistance for the 2015 general elections in Burundi, support for the energy sectors in Rwanda and Burundi and a significant security sector reform programme, focussing on the DRC's Armed Forces. The latter project was designed to take over important reform support activities previously carried out by a CSDP mission, which will be gradually phased out by June 2016.

In response to the **Ebola crisis in West Africa** in 2014, the Commission mobilised some EUR 210 million in development and early recovery assistance for delivery in 2014 and 2015. The funding aimed to support macroeconomic stability and the health sectors in the most affected countries, and to strengthen Ebola preparedness in other countries of the region. Adding to this the contributions for humanitarian aid and with EUR 138.4 million for research on treatment, diagnostics and vaccines, the European Commission's total contribution amounted to EUR 414 million. The overall funding from the EU, including the EU budget and Member States' contributions was more than EUR 1.2 billion. An additional amount of over EUR 100 million was funded by industry in the context of the Innovative Medicines Initiative.

EUR 210 million for development and early recovery were allocated to support the following objectives: EUR 122 million for supporting macroeconomic stability and health services in the most affected countries; EUR 5 million for the recently-established African Union mission 'Support to EBOLA Outbreak in West-Africa (ASEOWA); EUR 8 million for mobile laboratories and training of health workers in Guinea, Nigeria and Liberia; EUR 28 million to healthcare, food security, water and sanitation and resilience of vulnerable households; EUR 20 million for strengthening health services in Forestry Guinea; and EUR 27.5 million for health preparedness,

awareness raising and violence prevention in affected and at-risk neighbouring countries.

With regard to the **Programming of Regional Cooperation**, negotiations on the draft Regional Indicative Programmes (RIPs) for Central and West Africa were largely completed before end of 2014. Both RIPs are scheduled to be formally adopted in 2015. On the **Regional Cooperation in Central Africa**, good progress was made during and after regional meetings in Brussels (January) and Libreville (June). In December, the two regional organisations mandated to negotiate the RIP's content, ECCAS and CEMAC⁶³ confirmed their agreement on the final draft version of the document. The Regional Indicative Programme of EUR 350 million is expected to be signed before the summer of 2015.

The programming of the 11th EDF RIP for West Africa made good progress and a draft text could be finalised by December, after a series of consultations with the two regional organisations in April (Brussels), June (Ouagadougou) and October (Abidjan). Signature of the final document is expected in the first semester of 2015. The 11th EDF RIP for West Africa is allocated an overall budget of EUR 1.15 billion for the period 2014-2020 and will cover the following three focal sectors: Peace, security and stability (approximately 20 %); Regional economic integration (approximately 50 %); and Resilience and natural resources (approximately 30 %).

Overall, the **number of new decisions** in 2014 was relatively small, since 2014 was the year of transition between the 10th and 11th EDF with only limited resources available for new commitments. Nevertheless, the EU committed EUR 227 million for cooperation with Central Africa, in particular in **the CAR** and the Great Lakes sub-region (**Burundi, Rwanda and Democratic Republic of Congo (DRC)**). The level of new commitments reflects the importance that the EU attaches to the stabilisation of the Great Lakes countries and CAR. The new commitments for West African Countries amounted to EUR 160 million and included the amounts which were mobilised for early recovery and development assistance in response to the Ebola crisis.

Concerning **financial payments**, the 2014 target of EUR 1 485 million for the Central and West Africa region was surpassed by the disbursement of EUR 1 565 million (105.4 %). Budget Support disbursements for the region amounted to EUR 459 million.

EDF payments in the **Central African Region** amounted to EUR 414 million. More than 90 % of the payments went to the following six countries (in declining order): **CAR, DRC, Rwanda, Burundi, Cameroon and Chad**. Of the executed payments EUR 85 million were disbursed in the form of budget support to three countries: **Rwanda** (several sector reform contracts), **Burundi** (state building contract) and **CAR** (state building contract). The state building contract in Burundi benefitted from an additional tranche to support the government in repairing damage after a natural disaster.

EUR 939 million was disbursed to West African countries with Burkina Faso, Niger, Mali and Nigeria amongst the largest recipients. In 2014 Budget Support operations

⁶³ ECCAS (Economic Community of Central African States) and CEMAC (Communauté Economique et Monétaire de l'Afrique Centrale)

in West Africa were implemented in 10 different countries for a total amount of EUR 374 million. The countries benefiting from Budget Support included two of the Ebola stricken countries. The countries were: Benin, Burkina Faso, Cape Verde, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal, Liberia, and Sierra Leone.

EU budget support helped the Government of **Niger** in the implementation of its economic and social development plan (PDES). In 2014, budget allocations for social sectors represented 24.7 % of budgetary resources, with 16.3 % for education and 8.4 % for health. In terms of quality, the primary school completion rate was 65.9 % in 2013-2014 compared to 54.3 % in 2012-2013, and the gross enrolment rate for girls was 75.3 % in 2014. In the health sector, the number of births assisted by qualified health workers has been on the rise with an increase of 14.5 % from 2012 to 2013.

The EU is accompanying **Cape Verde** towards its goals of increasing the renewable energy in its energy mix and achieving reliable and cost effective access for the population to electricity and modern energy services across all of its islands in the framework of the 'EU-Cape Verde Reinforced Cooperation in the Energy Sector'. The ongoing Budget Support programme supports development and poverty reduction in the archipelago. Some of the most tangible results achieved in 2014 include: 72.3 % of the population now has access to improved sanitation; 17 protected areas have been created on 61 095 ha of land; 98 210 ha of protected marine areas exist; and 37 training events were organised with 764 national police officers. EU budget support also contributed to reconstruction after the eruption of a volcano with a contribution of EUR three million by the end of the year to support rehabilitation of livelihoods and infrastructure.

The EU-funded State-Building Contract in **Côte d'Ivoire** contributed to reinforcing governance as well as improving the capacities of the Ivorian administration so that the government is able to consolidate peace and stability, fight poverty and promote inclusive and sustainable growth. The programme has contributed a number of key results, in particular strengthening local administration across the country – the 'prefectures' and 'sub-prefectures'. In addition the fight against fraud and corruption was reinforced in 2014 through the operationalisation of the 'Squad for Countering Corruption' and an accompanying sanction system.

Case Studies

Bilateral Cooperation with a fragile country – the Central African Republic

The Bêkou Trust Fund

In July 2014, the first ever EU Trust Fund was established in collaboration between Member States and the European Commission. The mandate of the Trust Fund Bêkou (meaning "hope" in Sango) is in line with the spirit of Linking Relief Rehabilitation and Development (LRRD): it aims at reviving essential public services, building national and local administrative structures, reviving economic activity, and responding to humanitarian issues.

Its purpose is to mount a coordinated response from European donors and to assure a high level of efficiency by sharing resources and making use of all partners' comparative advantages. Six actions have been already validated by the Operational Committee on Health, on Economic and social reconstruction in urban areas, on

Gender, on Food Production for Resilience and Social Cohesion, on Refugees in the East of Cameroon, and a horizontal project on Technical assistance and communication.

Bilateral cooperation through General Budget Support in West Africa

In 2014 BS operations in West Africa were implemented in nine different countries for a total amount of EUR 373.6 million.

BS disbursements were contingent upon preconditions being met. In three countries (**Togo, Mauritania** and **Ghana**) the eligibility criteria related to macroeconomic stability were considered not to be fulfilled and disbursements could not be released.

Improvement of domestic revenue mobilisation and budget execution in the social sector as well as better access to water facility were noted in **Benin**. In **Senegal** the budget support operations focus on the environment sector. A first budget operation was approved for Guinea Bissau after the success of the electoral process.

Within **West Africa**, the key challenge in 2014 was for the EU to offer an effective response to the **Ebola crisis**. As part of the EUR 140 million package in response to the outbreak, almost EUR 30 million was disbursed through BS in Liberia and EUR 22.6 million in Sierra Leone.

Cooperation through the Sugar Protocol

For **Swaziland** a total of EUR 120 million was allocated for EU Accompanying Measures for Sugar Protocol Countries (AMSP), with the overall objectives of alleviating poverty and increasing competitiveness of the sugar sector.

Impact evaluations conducted in 2014 confirmed poverty reduction in the sugar belt as well as improved competitiveness for both raw and refined sugar vis-à-vis Swaziland's direct competitors (Brazil, Australia, Thailand, Malawi, Zambia, Mozambique, Mauritius and South Africa).

Key results include the rehabilitation of 50 km of roads and bridges; the improvement of water supply via rehabilitation of bulk water/ irrigation schemes; the expansion of the land planted with sugar cane with an additional 4 800 ha; the creation of smallholder Farmer Companies; and improved capacity of institutional stakeholders.

With the Economic Partnership Agreement (EPA) concluded with **Southern African Development Community (SADC)**, Swaziland will be able to continue export quota free and duty free to European markets. Swaziland has recently shipped the largest single sugar tonnage in the history of the country when 40 000 metric tonnes of sugar was sent to Cadiz in Spain.

Regional Cooperation

Smartfish (Implementation of a **Fisheries Strategy in the Eastern & Southern Africa & Indian Ocean Region**, 2011-17) is a regional programme operating in 20 countries, financed by a EUR 37 million contribution from the 10th EDF. It contributes to an increased level of social, economic and environmental development and deeper regional integration through improved capacities for the sustainable management and exploitation of fisheries resources. The programme supports a Control and Surveillance system for trans-boundary fisheries resources and a

regional trade strategy to ensure access of fisheries products to domestic, regional and export markets.

Parcs de l'Entente coordinates the management of three neighbouring parks in Benin, Burkina Faso and Niger. EU support for this project continued under the 10th EDF. The project support the authorities in their daily operations of conservation and protection and works through NGOs with local communities.

Cooperation at continental level: Scaling up the Africa-EU Partnership

Since 2007, the EU and Africa have developed a new framework for their relations: the Joint Africa-EU Strategy (JAES). The priority areas for 2014-2017 include: Peace and Security; Democracy, Good Governance and Human Rights; Human Development; Sustainable and inclusive development and growth and continental integration; and Global and emerging issues.

In April 2014, the 4th EU-Africa Summit took place in Brussels. It brought together more than 60 EU and African leaders, and a total of 90 delegations. The Summit adopted a political Declaration, a Roadmap 2014-2017, and a stand-alone Declaration on migration and mobility. The organization of a Business Forum aside of the Summit attracted more than 1 000 stakeholders.

Since the Summit, the EU has already been able to reflect the new priorities in the programming process. Following the creation of the Pan African Programme in 2013, which for the period 2014-2020 has a budget of EUR 845 million, the EU has approved its Multiannual Indicative Programme for 2014-2017. The first 12 projects with a total budget of EUR 107 million have already been approved and focus on migration, higher education and research, public finance management, and the development of statistics.

Through the African Peace Facility (APF) the EU provided support to the African Union and the Regional Economic Communities. This support was allocated in particular to peace support operations (e.g. AMISOM in Somalia and MISCA in the Central African Republic). In 2014, capacity building continued, aiming at the operationalisation of the African Peace and Security architecture (APSA). Equally, the APF's Early Response Mechanism supported a number of urgent mediation and preventive diplomacy activities (e.g. South Sudan, Burundi, Great Lakes region). The Financing Agreement for the APF's 2014-2016 Action Programme was signed with an envelope of EUR 750 million to continue to support the three main areas: African-led peace operations, the capacity building of the APSA, and early response actions.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. (See also Chapter 4.1 for more details).

A global study on the result of ROM in ACP countries since 2000, conducted in 2012 and 2013, was presented to the Commission services in February 2014. It included four specific reports for the four African sub-regions and provided the Commission with lessons learned on the implementation of ROM since its creation.

Perspectives

In 2014, the second preparatory phase of the country programming process for the period 2014 to 2020 resulted in the preparation of the draft Multi Annual Indicative Programmes (MIPs) for actions financed from the European Development Fund (EDF), either at national, regional or intra-ACP level. For 59 partner countries NIPs were adopted with a total budget of EUR 11 069 million. Altogether, more than 77 % of the Indicative Programmes were completed.

EU development policy remains committed to supporting regional integration. Drawing lessons from the past, the EU and the Duly Mandated Regional Organisations (DMROs) are currently devising results-oriented regional strategies based on specific and limited objectives.

Furthermore, the DMROs agreed to allow national authorising officers, specialist institutions, regional development banks and other relevant technical bodies to assume responsibility for implementing regional programmes, especially trans-border or national projects with a specific regional dimension.

Intensive coordination work took place in 2014 between the DMRO and the EU and broad agreement was reached on the governance and the content of Regional Programmes.

Case studies

Water for Growth and Poverty Reduction in the Mékrou transboundary River Basin (Burkina Faso, Benin and Niger)

Africa faces a complex challenge in water resource management because of two legacies: its natural legacy of high hydro-climatic variability and its political and geographic legacy in which several countries share the same river basin. Shared water resources present management challenges and require investments in trans-boundary water management plans, in the development of sustainable policy, and in institutional capacity building.

The Mékrou River basin (a sub-basin of the Niger River) is shared between three countries (Benin, Burkina Faso and Niger) and is characterised by a poorly developed water infrastructure. This presents significant social, economic, environmental and political risks. Furthermore, the region's low capacity to buffer the effects of hydrological variability generates uncertainty and risks for economic activities. As water becomes scarce in the face of rising demand and Climate Change, there is a risk of potential trans-boundary water conflicts, which will likely constrain the region's growth.

The overall objective of the Commission through this EUR five million project, which is implemented by the JRC in collaboration with the Global Water Partnership, is to support Economic Green Growth and Poverty Reduction in the three African countries in order to foster peace and security and to ensure continued water supply to developing areas.

There are two specific objectives. First to establish long-term planning of the Cooperation Framework on Water for Growth in the trans- boundary Mékrou River basin. Second to develop an Integrated Water Resource Strategy for Green Growth in the Mékrou River basin involving food security, appropriate urban and rural development, and environmental conservation measures to meet the challenges of climate change and promote investment in the water sector.

MASE for improved maritime situational awareness

Under the 10th EDF Programme to Promote Regional Maritime Security (MASE), the Joint Research Centre (JRC) started in 2014 the trial implementation of a software system providing maritime situational awareness to two operational centres in the Eastern Southern Africa - Indian Ocean region.

The MASE programme supports the implementation of the Eastern and Southern Africa – Indian Ocean Regional Strategy and Action Plan, which was adopted in October 2010 in Mauritius to fight piracy and promote maritime security by strengthening the capacity of the region. The EU is supporting the implementation of the regional strategy with EUR 37.5 million mainly to develop a strategy to tackle piracy on land in Somalia; enhance judicial capabilities to arrest, transfer, detain and prosecute piracy suspects; address economic impact and financial flows related to piracy; and improve national and regional capacities in maritime security functions, including surveillance and coastguard functions. As part of the programme, the JRC implements the Piracy, Maritime Awareness and Risks (PMAR) project by running a pre-operational trial providing the shipping traffic situation off East Africa in both real-time and as monthly statistics to two operational centres in **Kenya** and the **Seychelles**.

2.2.2. South Africa

Introduction

Given the density of political and electoral activities throughout the year both in South Africa (general elections) and in the EU (EP elections and selection of a new EU leadership), both sides agreed to defer their seventh annual summit until the second semester of 2015.

Nevertheless, intense contacts continued and culminated with a week of consultations at senior official level in Brussels in November (the South Africa week). This week included the EU-South Africa 6th Political and Security Dialogue Forum which remains an indispensable tool to discuss issues directly affecting the security-development nexus. Human rights, fundamental to ensure any sustainable development, were discussed in depth in the framework of the 2nd formal Human Rights Dialogue. The plenary of the 14th Joint Cooperation Council (JCC) gave a chance to the eighteen formal and informal sectorial dialogues to report on their annual activities. In this context, the JCC adopted the joint progress report of the development dialogue that had been discussed in its margins. The South Africa National Treasury, Directorate-General for Development and Cooperation — EuropeAid, the EU Delegation and the EIB presented the full range of ongoing and future activities in the field of development, stressing the many opportunities but also

some challenges relating to cooperation. These intensive consultations on a wide range of issues in a year of transition have reinvigorated the Strategic Partnership.

A major milestone in our relations was the successful conclusion of the negotiations of the SADC Economic Partnership Agreement on 15 July 2014.

Aid effectiveness and donor coordination

The 2013 6th EU-SA summit recognised that the attainment of the MDGs up to 2015 and beyond remains one of the key development priorities; it was also agreed to take concrete measures to implement the sustainable development commitments of the Rio+20 Conference outcomes and to consult on the Post-2015 Development Agenda.

The use of country systems has been high on the aid effectiveness agenda in South Africa and the EU Delegation has been a good performer in using country systems with 68 % of its aid committed in the period 2007-2013 in the form of budget support. In cases where country systems are not used, the SA government is fully involved in management of the actions, all of which are under the umbrella of the National Development Plan 2030.

Efforts to strengthen donor cooperation, particularly between EU Member States present in South Africa, were maintained. The main donors hold ad hoc meetings for general coordination to avoid any duplication and overlaps. With the volume of aid to South Africa being low in relative terms, (less than 1 % of the government budget), the SA government saw a strategy to improve the division of labour to be of limited value.

The Technical Cooperation and Official Development Assistance (ODA) Programme funded three assignments specifically important in the area of aid effectiveness and the implementation of ODA strategies: a review of trilateral development cooperation activities in South Africa; a review of philanthropy within South Africa; and a review of technical assistance models in South Africa.

Implementation and results

Development Cooperation

In 2014, development cooperation, one of the three pillars of the EU-SA Trade, Development and Cooperation Agreement (TDCA) strengthened later by a Strategic Partnership, continued to impact South Africa's citizens' lives. Development cooperation between the European Union and South Africa is marked by the objective of ensuring that it brings added value through innovation, pilot programmes, capacity development, and the sharing of skills and knowledge laying emphasis not on the 'heavy lifting' that might be expected of ODA in other countries, but rather on a more targeted and focused approach which gives space to the Government to identify value added activities or initiatives, providing technical assistance in areas where this form of assistance is most appropriate, and complementing these activities with support to civil society organisations.

The Multi-annual Indicative Programme (MIP) for the period 2014-2020 was approved in 2014 for an amount of EUR 241 million, making South Africa eligible for bilateral cooperation, as an exceptional case, including in view of the phasing out of development grant aid. The MIP will mainly provide support to the three prioritised

areas of the South Africa National Development Plan 2030: employment creation; education, training and innovation; and building the capacity of the State.

Implementation activities and disbursements

In 2014, the EUR 26 million Teaching and Learning Development Sector programme was approved. This programme is the first under the new allocation for 2014-2020. At the end of 2013, 100 % of the 2007-2013 envelope of EUR 980 million for South Africa had been committed and total payments under this envelope were about EUR 576 million by the end of 2014.

The support for an ongoing Primary Education programme has continued. A disbursement request for EUR 13 million was received in 2014 and is to be processed in 2015. The programme focuses more particularly on teaching and learning methods, assessments and support materials, as well as on teacher education. In 2014, about 7.3 million students at primary school level had been assessed (through the Annual National Assessment programme), 56 million workbooks had been distributed to 26 000 schools in the country, about 6 000 students graduated from an initial teacher education university programme, and the number of students enrolled in initial teacher education programmes exceeded 21 000.

The National Development Policy Support Programme continued to progress well. A request for a disbursement of EUR 52 million under the general budget support (GBS) component was received in 2014 and disbursed in early 2015. The GBS component of EUR 200 million is complemented by a support to civil society component (EUR 20 million) aimed at sustainable environment, skills development and employment, and citizens in action; a capacity building project for public financial management (EUR 20 million); and a component to support the development of pro-poor policies (EUR 10 million).

Related to the implementation of the Employment Creation Programme a final payment request was received in 2014 and EUR 25 million was disbursed in early 2015. Over the period of assessment this programmes has contributed to the achievements of the Expanded Public Works Programme (340 000 work opportunities created), the Community Works Programme (186 000 participants, the majority of which are women and youth), the National Skills Fund with 95 000 learners trained, and the funding of 376 SMEs amongst others.

The Infrastructure Investment Programme for South Africa (IIPSA) (EUR 100 million) was launched in March 2014 through a media event involving the CEO of the Development Bank of South Africa (DBSA) and the Ambassadors of the EU and several EU Member States following the signing of a Financing Agreement with the SA government and a Delegation Agreement with the DBSA in late 2013. IIPSA aims at supporting the big infrastructure plans of the SA government through project preparation and the blending of EU grants with loans from Development Finance Institutions, notably DBSA, EIB, African Development Bank (AfDB) and Kreditanstalt für Wiederaufbau (KfW), and possibly private sector funding. Following a Request for Proposals in April 2014 screening of potential projects is currently ongoing, with emphasis on ensuring that support leads to actual infrastructure investments taking place.

In terms of support to international collaboration through higher education, and thanks to Erasmus Mundus programme in South Africa, about 540 South African students and staff had benefitted from scholarships for mobility from South Africa to the EU since the programme began in 2011. Cooperation is now further strengthened under the new Erasmus+ programme.

Budget Support

An evaluation of Budget Support (BS) in South Africa concluded that the BS to SA in the period 2000-2011 represents a positive experience that can be continued and further integrated into the SA-EU Strategic Partnership. BS has supported policy innovation by enhancing specific innovative programmes, often with the participation of Civil Society Organisations (CSOs). Sector Budget Support (SBS) funds have created strong opportunities to test policy and institutional processes through innovative and risk-taking initiatives.

A repeat Public Expenditure and Financial Accountability (PEFA) assessment has been carried out in 2014. It found that fiscal discipline is overall very solid and resources are allocated according to priorities. Challenges remain to achieve efficient public service delivery.

Dialogues under support programmes

Dialogues linked to the different support programmes on the whole performed satisfactorily. Of particular note are the dialogues linked to the education programme, health programme, employment, justice, science and technology, and public financial management.

A workshop on internationalisation of higher education arrived at the conclusion that an annual review of South African participation in EU instruments for higher education should be carried out; and that a joint study on college lecturer training should feed into future workshops on vocational educational training and teacher and lecturer professionalisation.

In the area of employment and social affairs discussion has taken place in three main areas: New Skills for New Jobs in Infrastructure; National Skills Planning; and Effective Delivery of Social Grants. An international conference on Manufacturing-led Growth for Employment and Equality was held in May 2014. The conference welcomed 350 participants who explored the link between issues of industrialisation, equity and employment, and the role of the manufacturing sector.

Case Studies

The **Primary Health Care Policy Support Programme** has supported in piloting of the National Health Insurance, notably piloting new contracting procedures for 600 private sector General Practitioners to work in public facilities; strengthened health systems (including the audit of all 4 210 primary health care facilities); the placement of interns in all nine provincial departments of health to strengthen Public Finance Management, Human Resources management and IT. The Youth Empowerment Programme through its use of football to address youth related challenges has trained 162 instructors, over 1 500 youth coaches, and an estimated 60 000 South Africans in a programme now being replicated by Provinces and football associations.

The **Employment Creation Programme** has supported the nation-wide Community Works Programme which has been replicated and scaled-up and is expected to create more than 1.5 million job opportunities by end of 2014. Similarly the pilots in the Innovation for Poverty Alleviation programme have created over 600 jobs and 48 small businesses in areas ranging from demonstration agronomy to wireless mesh networks. In addition, around 200 rural facilities reaching 20 000 school children have been connected to the internet through the Wireless Mesh Network. Plans are underway to replicate and draw lessons from these pilot programmes.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. (See also Chapter 4.1 for more details).

Perspectives

The EU will continue to implement its existing programmes in 2015.

In 2016 the new Teaching and Learning Development Sector programme will show its first results in terms of research and initial design of professional qualifications for the education and development of teachers in areas such as early childhood, primary, special needs and vocation education in partnership with South African universities.

In the context of the Strategic Partnership, people-to-people and institution-to-institution contacts, exchange of information and knowledge and trilateral cooperation will be maintained both under existing programmes and the TDCA facility, and subsequent programmes.

In the preparation of the 2014-2020 Multi-annual Indicative Programme, the focus will be on the areas of employment creation, public administration strengthening and oversight, and support to dialogue initiatives.

2.2.3. Intra-ACP (Africa, Caribbean, Pacific) programmes, including water and energy

Under the 10th EDF, EUR 2 895 million was allocated to intra-ACP cooperation aiming to address the shared challenges facing African, Caribbean and Pacific (ACP) States through operations benefiting many or all ACP States. In 2014, the implementation of the last programmes identified under the 10th EDF strategy started, with an increased focus on support to the private sector, environment and climate change and disaster risk reduction. In parallel, negotiations on the 11th EDF intra-ACP strategy continued, focusing on identifying those key sectors where this type of cooperation brings added value and complementarity with other instruments, such as supporting global initiatives and promoting shared approaches to shared challenges.

Highlights of the programmes' achievements in 2014 include encouraging results in the field of improving the business climate for ACP entrepreneurs, in higher education and mobility of students between the European Union and ACP countries, the promotion of activities that mitigate the impacts of climate change and

illustrations on the key role that women play across all development sectors in ACP countries.

In many ACP countries, **private sector** policies and regulatory frameworks have remained insufficiently developed. In this context, intra-ACP cooperation has intensified its contributions to the promotion of a business enabling and investment friendly climate, notably through empowering stakeholders via knowledge transfer and supporting public-private dialogue to spur economic development along ACP policies and strategies.

In the field of **health**, intra-ACP cooperation has translated into action the joint commitment of the EU and ACP countries to the 6th MDG, to combat HIV/Aids, malaria and other diseases, by renewing our support to leading global health initiatives GAVI and the Global Fund to Fight AIDS, Tuberculosis and Malaria. These initiatives have a direct effect on ACP citizens through increased access to quality and affordable vaccines and treatments. In 2014, an additional 1.3 million people began treatment for HIV in programmes supported by the GFATM. More than 4 million children have now been immunised against rotavirus diarrhoea; the pentavalent vaccine has been introduced in 73 countries, and the price of the pneumococcal vaccine has been significantly reduced.

The EU is a strong advocate of strengthening health systems in partner countries. For example, in the framework of intra-ACP, the WHO, the European Commission and ACP partnership on pharmaceutical policies contributes to increased availability and quality of medicines in 15 countries through sustainable capacity building activities.

Access to and quality of **education** remains key issues for many ACP countries. Intra-ACP cooperation enables the EU and ACP countries to fully participate in global initiatives in the field of education, and their joint commitment to the Global Partnership for Education was renewed during the pledging conference in June. The partnership is the only multilateral partnership devoted to improving access and quality in education and has enabled 22 million more children to access primary school since 2003, including greater access for girls, while at the same time improving the quality of education. In addition, a EUR 6 million contribution was made to the programme IFADEM that aims to enable long-distance training of 8 000 teachers in four countries.

In parallel, support continued to higher education mobility and capacity building programmes like Edulink, involving 151 academic institutions in 43 ACP countries, Intra-ACP mobility and Erasmus Mundus, allowing more than 1 360 ACP students and university staff to participate in mobility schemes so far. This kind of support should be integrated in the future under the Erasmus+ programme providing a comprehensive umbrella for mobility and capacity building activities.

Intra-ACP supports the Global Climate Change Alliance that offers technical assistance to ACP countries in tackling challenges related to **climate change**. To date the programme has provided assistance to organisations located in 20 different ACP countries on a wide variety of topics. For example, with the support of the programme Community Forests Pemba (CFP) has worked with Community Forests International to initiate community tree-planting throughout Pemba, Tanzania. CFP

has worked with rural Pembans - mainly women - to propagate and plant over 1 000 000 trees in 18 different communities. An innovative online platform for sharing news and best practices was launched in 2014.

Gender equality and women empowerment were important cross-cutting elements of many of the financed activities. The key role women play across all development sectors in ACP countries was particularly evidenced by the study 'ACP Women, Actors of Development' undertaken within the framework of the joint commitment towards gender equality in the ACP-EU Partnership Agreement. The publication illustrated the vital role of grassroots organisations in the realisation of women's rights, and their contribution to equitable and sustainable development. The publication presented a comprehensive review of outstanding examples, challenges and opportunities across the ACP countries for advancing women's rights, while shedding light on women's agency in human sustainable development as a critical factor for stimulating learning, knowledge sharing and innovation in development programmes.

Water and Sanitation

In 2014, the remaining funds (EUR 2.5 million) of the Water Facility were contracted in two actions in West Africa (Sector dialogue support in Niger and implementation of the National Ebola Prevention Plan in Guinea Bissau) and in visibility actions for the water sector in several ACP countries. The Final Evaluation of the Facility for both the 9th and 10th EDF started in May and results should be available at the end of 2015. In its response to the Citizens' Initiative, ('Water and sanitation are a human right!') the Commission suggested that it will "stimulate innovative approaches for development assistance; promote sharing of best practices between Member States and identify new opportunities for cooperation". For this purpose, results and lessons learned from projects financed under the Water Facility will be included.

Energy

In 2014, to meet the challenge of providing access to electricity in rural areas, the EU continued to support energy generation projects in the developing ACP countries. With the remaining Energy Facility funds specific challenges of the energy poor including in several fragile states were addressed through 31 rural electrification projects with total grants amounting to EUR 153 million benefitting more than three million people directly and many more indirectly through the energy services provided to social and productive infrastructures. All these actions correspond to a total budget of approximately EUR 200 million (through co-financing support by applicants).

MESA project

The JRC is supporting the Monitoring for Environment and Security in Africa (MESA) project⁶⁴, which was proposed through the Ouagadougou Declaration in September 2010 by the African Union Commission, the ACP Secretariat and the African Regional Economic Communities. The programme aims at continuing and reinforcing past initiatives for the use of Earth Observation data in Africa (namely Preparation for the use of Meteosat Second Generation in Africa (PUMA) and Africa Monitoring of

⁶⁴ <http://mesa.au.int/mesa/>

the Environment for Sustainable Development (AMESD)) and paving the way to the forthcoming Copernicus (previously GMES) and Africa Initiative. It is funded by the 10th European Development Fund with a budget of EUR 37 million. In 2014, the JRC supported the establishment of the key centralised components of the project, including the definition of Service Contract for Training (EUR 3.0 million) and the Supply Contract (EUR 3.5 million), and implemented the eStation 2.0 system, for the reception, post-processing and analysis of Earth Observation data in 47 sub-Saharan ACP countries to be delivered in the period 2015-2016.

BIOPAMA project

The European Commission, with support of JRC and IUCN (International Union for Conservation of Nature) is supporting the establishment of four Regional Observatories on Protected Areas (two in Africa, one each in the Caribbean and Pacific) that aim to support decision makers and managers of protected areas in the planning and management of biodiversity. The observatories were designed on the lines of the Digital Observatory for Protected Areas (DOPA)⁶⁵ developed by JRC and bring together all available information to promote oriented information collection and structured information to develop support tools for decision making. In this context, the JRC developed contextual evaluation forms and processes in support of National Agencies and Parks managers. Unlike existing tools, the new tools allow BIOPAMA agencies and field staff to improve their planning and to guide management activities. These tools were tested successfully in DRC and Gabon with the National Agencies (ICCN and ANPN) and have been adopted as internal monitoring tools. The first management measures have already been adopted on the basis of the results obtained. ICCN and ANPN asked the BIOPAMA project for support to complete the evaluation of all national networks of protected areas with the new tools. Finally, in 2014 the JRC carried out a comprehensive analysis of land cover changes incurred in the last 20 years in the 1 200 African Protected Areas larger than 100 km².

2.3. Latin America & the Caribbean

2.3.1. Latin America

Introduction

EU-Central America relations were substantially reinforced with the entry into force of the Political Dialogue and Cooperation Agreement (May), the adoption by the Council of the EU Citizen Security Strategy for Central America and the Caribbean (July), and the holding of the first EU-Central America Association Council meeting (June).

Negotiations for an EU-Mercosur Association Agreement continued towards an exchange of offers on goods, services and investment, and government procurement.

In February, the EU-Brazil Summit allowed for a good exchange of views on the overall state of play in the strategic partnership including trade and investment, SME cooperation, and science and technology.

⁶⁵ <http://dopa.jrc.ec.europa.eu/>

Discussions on the options for modernising the EU-Mexico Global Agreement and the EU-Chile Association Agreement, including new forms of cooperation, continued in 2014.

Negotiations for Ecuador to join the Multi-Party Trade Agreement with the EU were concluded; the agreement was initialled in December. At the II High Level Dialogue meeting in Quito (October), the EU and Ecuador agreed to complement this agreement with a Memorandum of Understanding on political dialogue and cooperation.

Joint Committees with Uruguay, Central America and Paraguay took place respectively in Montevideo (June), Tegucigalpa (October) and in Brussels (November).

Multi-Annual Indicative Programmes (MIPs) for bilateral and regional cooperation for Latin America under the DCI 2014-2020 were adopted in August with a total indicative allocation of EUR 2.4 billion. This includes nine bilateral programmes⁶⁶ (worth approximately EUR 1.42 billion) and a regional programme (EUR 925 million in total)⁶⁷ encompassing activities at continental level and a sub-component for Central America. The EU assistance aims to address the evolving nature of the main challenges faced by Latin America in areas such as social cohesion, sustainable management of natural resources, citizen security, as well as private sector development.

Bilateral and regional projects and programmes totalling EUR 255 million were committed for Latin America in 2014. In terms of bilateral cooperation, 2014 saw the approval of the first eight programmes financed from the new MIPs in the context of Annual Action Programmes 2014 with actions at the Continental level and programmes in Bolivia, Guatemala, Nicaragua and Honduras.

Commissioner Piebalgs visited the region in July 2014 with visits to Ecuador and Peru. In Ecuador the high level visit included meetings with the Minister of Foreign Affairs, as well as Ministers of Education, Finance and Planning. The Commissioner also met with local authorities and civil society groups, and visited EU projects in the north of the country. In Peru the Commissioner met with high level authorities such as the Prime Minister, the Minister of Foreign Affairs and the Minister of Economy and Finance. He also visited a number of EU projects in the country, including one aimed at combating chronic child malnutrition and providing better access to health and social services

In October President Juan Orlando Hernandez of **Honduras** visited Brussels and signed the country's Multi-Annual Indicative Programme 2014-2020 together with President Barroso and Commissioner Piebalgs. The programme has an overall allocation of EUR 223 million and will focus on increasing food security in the country, support decent employment opportunities and citizen participation and accountability.

Preparations started for the II Summit between the EU and the Community of Latin American and Caribbean States (CELAC), scheduled for Brussels on 10-11 June 2015, with the general theme 'Shaping our common future: working for prosperous,

⁶⁶ Bolivia, Honduras, Nicaragua, Guatemala, El Salvador, Paraguay, Colombia, Peru and Ecuador.

⁶⁷ Includes a contribution to the Erasmus+ Programme

cohesive and sustainable societies for our citizens'. Work to implement the bi-regional Action Plan continued in fields such as science and technology, the world drug problem, corporate social responsibility and migration. Significant progress was made in the negotiations for giving the EU-LAC Foundation the status of an International Organisation.

In the area of **Research and Innovation**, under the seventh Framework Programme (FP7) 694 contracts have been signed with Latin-America and over 26 with the Caribbean in the period 2007 to 2014 for an EU contribution of respectively around EUR 95million and EUR three million.

Under the EU-CELAC Joint Initiative for research and innovation, JIRI, a regular science, technology and innovation dialogue has been established. Progress has been made as regards the roadmap and five thematic working groups for implementing the initiative.

From 2014, Erasmus+ is the main programme of cooperation with partner countries on **higher education and youth**. Erasmus+ provides financing to enable periods of study abroad and joint projects for capacity building in universities.

Aid effectiveness and donor coordination

The Joint Programming process continued and gained pace in 2014. **Guatemala** pioneered with the adoption of the first joint strategy in the region. In this context, and thanks to an intense work on coordination with national authorities and the EU Member States and Switzerland, a 'European Co-ordinated Response' was jointly drafted in **Bolivia** and will serve as a basis for the joint EU Country Strategy. There is now a formal commitment by all parties involved to move to full Joint Programming as from 2017, aligning EU programming cycles with Bolivian ones. It is expected that by 2017 all countries with a 2014-2020 allocation will be working under a unified programming environment.

In 2014 the EU has been working towards a more structured dialogue with civil society in Latin America, particularly along the lines of the September 2012 Commission Communication 'The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations'. In the framework of this Communication the majority of countries in the region developed roadmaps for the strategic engagement of EU Delegations and Member States with civil society at country level with the objective of improved impact, predictability and visibility of EU actions.

It is important to highlight the relevance of thematic programmes for enhanced policy dialogue. In Honduras for example the active participation of civil society in the FLEGT VPA process has allowed for solid consultation and has given impetus and consistency to the process. Civil society turned out to be the most active participant in the ongoing negotiation and indigenous peoples have been granted a representation of their own in the context of these negotiations.

In this respect complementarity between thematic and bilateral programmes is progressively improving. The country evaluation report for cooperation with Bolivia in the 2007-2013 period points out the excellent complementarity that has been achieved between bilateral programmes, food security thematic programme and

ECHO actions in the ground. It will be of high importance in the coming years to work further on enhancing the link between bilateral, regional and thematic programmes while maintaining sector concentration.

During 2014 the EU continued the process of dialogue with graduated countries on new forms of international cooperation, particularly with **Chile, Mexico and Uruguay**, who show a keen interest in further engagement in this area.

Working towards the MDGs

According to the 2014 UN MDG report, the Latin America region has made notable progress towards achieving the nine MDGs. A number of them, for example MDG 1 on eradicating extreme poverty or MDG 2 on universal access to education, are already virtually met. Nevertheless, like other regions, Latin America still lags behind in the MDGs associated with maternal health and access to sanitation. For example, adolescent birth rate also stayed very high in Latin America, at 86 births per 1 000 girls in 2011, the highest rate after Sub-Saharan Africa.

Latin America has made significant progress towards meeting the targets included in the MDGs, but the recent global crisis has cast doubts about the possibility of achieving them all by 2015.

A significant part of the progress made by the region as a whole in advancing towards the MDGs, particularly with regard to reducing extreme poverty, took place in the six years prior to the global crisis (2002-2008).

During that time, Latin America had relatively high growth rates, with several countries improving income distribution, raising per capita social public expenditure and applying macroeconomic policies that avoided a harsher impact of the crisis.

However, although some countries have attained several of the targets and others are en route to doing so, several countries will have difficulties in achieving full compliance if they continue at the same rate of progress observed so far to 2015.

With regard to the new Millennium target of achieving full and productive employment and decent work for all, from 1990 to 2008, the indicators have evolved relatively well, although the low productivity growth and structural heterogeneity in the region have impeded real wages and income distribution from improving sustainably.

Policy recommendations for the achievement of the Millennium Goals: South-South cooperation, including the principles of sustainable development in the national programmes, closing welfare gaps, implementing productive and technological policies to encourage job-creation and improve income, and paying urgent attention to the most extreme situations of poverty and hunger, all essential to gaining equality in the region.

The region has progressed 85 % in reaching the goal of halving extreme poverty (MDG 1). If it continues at this rate, Latin America could achieve this objective by 2015. In education (MDG 2), Latin America progressed significantly in terms of coverage and access. Most countries have registration rates close to or over 90 %, similar to developed countries. However, there is still much to do in coverage and quality of high school education.

As for gender equality (MDG 3), the gaps with regard to men have diminished over the past 15 years, but the rate of progress has been slow. Three necessary pillars for

attaining gender equality have been identified: economic independence, physical autonomy and participation in decision-making. In relation to the right to health, expressed in MDGs 4,5 and 6, the health conditions of the population have no doubt improved, but progress is very unequal and heterogeneous and with regard to some indicators, insufficient. For example, only one-third of countries may be able to meet the goal of reducing infant mortality by 50 %, given that regional progress in 2009 was 79 %.

With regard to MDG 7 referring to environmental sustainability, the consumption of ozone-depleting substances has diminished, the surface area of protected zones has increased over the past decade and coverage of potable water and sanitation services has improved. In Latin America, the protected area coverage rose from 8.7 % to 20.3 % between 1990 and 2012 with the EU accompanying the process in Nicaragua, Bolivia and Honduras.

However, Latin America continues to have some of the highest deforestation rates in the world and carbon dioxide emissions have grown steadily. Regarding MDG 8 on fomenting a global partnership for development, the region made significant progress in its international insertion between 2005 and 2009, although the international crisis caused its exports to drop drastically.

Implementation & results:

Bilateral cooperation including budget support

During 2014, bilateral development cooperation projects were carried out in all 18 countries of the Latin American region covered by the Development Cooperation Instrument (DCI). Commitments amounted to EUR 185 million. The increase in the degree of social cohesion continued to be one of the main concerns of EU interventions. Particular attention has been paid to the promotion of dialogue, joint actions and partnerships with international institutions active on the continent, such as the Inter-American Development Bank, the Central American Bank for Economic Integration, and the Economic Commission for Latin America and the Caribbean as well as the Organisation of American States.

In **Brazil** during 2013, cooperation has continued to be implemented successfully. Over 30 dialogues have been established so far between Brazil and the EU through the implementation of the 'sector dialogue support programme'. This process has given a solid basis to the EU-Brazil Strategic Partnership. Brazil is also participating actively in EuropeAid funded Regional Programmes for Latin America and in the EU – Mercosur projects. Moreover, Innovation, Science and Technology including Information Society is an important aspect of EU – Brazil relations and many activities are being financed under the Research Technology and Development (RTD) Framework Programme. Brazil has also benefited from the Latin American Investment Facility (LAIF).

In February, the EU-Brazil Summit allowed for a good exchange of views on the overall state of play in the strategic partnership i.e. trade and investment, SME cooperation, science and technology.

In **Colombia**, the support programme for the **rural development sector policy** (EUR 39.2 million) started to show its first positive results in terms of increased access to land and income generation for the rural population, access to housing, social protection and formalisation.

In **Ecuador**, the **support programme to the Ecuadorian Decennial Education Plan** (Programa de Apoyo al Plan Decenal de Educación - PAPDE), was successfully finalised with striking progress having been made, particularly in relation to the quality and access to education.

Negotiations for Ecuador to join the Multi-Party Trade Agreement with the EU were concluded; the agreement was initialled in December. At the II High Level Dialogue meeting in Quito (October), the EU and Ecuador agreed to complement this agreement with a Memorandum of Understanding on political dialogue and cooperation.

In **Bolivia**, the EU continued the positive implementation trend with two new programmes in the area of water management for a total of EUR 27 million. These programmes build upon the very successful budget support programmes in the framework of which drinking water connections have been provided to more than 270 000 people and basic sanitation to more than 100 000; also watershed management plans have been established for the main five river basins in Bolivia covering some 15 % of the national territory and 60 % of the Bolivian population. A major programme of EUR 60 million was approved in support of the implementation of the Bolivian 'National Strategy against Illicit Drug Trafficking and Reduction of Surplus Coca Cultivation 2011-2015' in an environment of social peace and respect for human rights. This programme also builds upon the successful experience with alternative development programmes in Bolivia: a 26 % net reduction in four years of coca cultivated surface area in the country and in the absence of conflict and 7 % of people in coca growing areas moved above the poverty line.

In **Peru**, the programme **supporting the implementation of the National Anti-Drug Strategy 2012-2016** (EUR 32.3 million) was officially signed and the first disbursement was made during Commissioner Piebalgs' visit to the country in July.

In **Costa Rica**, a range of projects were successfully implemented to support the integration of the country into regional and global markets as well as to take advantage of the opportunities offered by the EU – Central America Association Agreement.

In **Guatemala**, the EU confirmed its support to the country by allocating EUR 25 million to enhance the competitiveness and trade capacity of MSMEs and Cooperatives. This project will contribute to reducing poverty by promoting inclusive and sustainable economic growth and enhance MSMEs and cooperative's competitiveness for compliance with market requirements. Furthermore, the EU continued its support to Rural Development Policy contributing to reduce poverty in selected rural areas by promoting smallholders' agriculture and sustainable agricultural practices. Some 100 000 rural people or 16 500 families in 22 municipalities are expected to benefit from the programme.

In **Honduras**, with the new 'EuroSAN' programme with an EU contribution of EUR 30 million will support 15 000 families in the Dry Corridor to improve their agricultural practices and increase their food security by increasing their strategic grain reserves. A special emphasis will be put on improving the nutritional status of the families, in particular reducing children malnutrition by means of establishing nutrition and health extension systems in each municipality. Further to this, the EU is launching a EUR 11.6 million 'Euro + Labour' project with the aim to increase the capacity of the

Honduran government to systematically promote decent employment, reducing underemployment and unemployment. One of the components of the project will specifically target returning young migrants by providing targeted vocational training to enable their prompt reintegration into society and provide them with an alternative to the youth gangs.

In **Mexico** the second phase of the EU-Mexico Social Cohesion Laboratory began its implementation. The project worth EUR 22 million is developing activities on human rights, security, access to justice and the prevention of social exclusion, especially in the states of Oaxaca and San Luis Potosi. The EU and Mexico started to work to upgrade their relations during 2013, in particular by modernising the Global Agreement signed in 2000 which covers political, trade and cooperation areas.

In **Nicaragua**, two projects were formulated during 2014 under the new MIP 2014-2020. One project contributes to building capacity for a more effective and efficient implementation of public policies in the sectors of concentration of EU cooperation. The other project contributes to the development of more productive cattle breeds.

In **Paraguay**, cooperation continued with smooth implementation. According to the statistics published in 2014, extreme poverty nearly halved between 2011 and 2013 (from 18 % to 10 % of the population). Confirming that social policies initiated by the government and supported by the EU, combining social services, employment creation and conditional cash transfers have had a major impact on the reduction of poverty. In October 2014, the EU organised the first EU Forum of Investments in Paraguay. The Forum was a big success with 560 people attending, of which more than 150 were from the EU private sector and nearly 300 Paraguay business people.

Negotiations for an EU-Mercosur Association Agreement continued towards an exchange of offers on goods, services and investment, and government procurement.

Discussions on the options for modernising the EU-Mexico Global Agreement and the EU-Chile Association Agreement, including new forms of cooperation, continued in 2014.

Joint Committees with Uruguay, Central America and Paraguay took place respectively in Montevideo (June), Tegucigalpa (October) and in Brussels (November).

In **Central America**, cooperation focused on supporting the implementation of the EU-Central American Association Agreement. During 2014 the identification of an ambitious operation supporting the fight against the coffee rust plague currently affecting the region began. It is expected that this action will be approved during 2015.

EU-Central America relations were substantially reinforced with the entry into force of the Political Dialogue and Cooperation Agreement (May), the adoption by the Council of the EU Citizen Security Strategy for Central America and the Caribbean (July), and the holding of the first EU-Central America Association Council meeting (June).

In the area of **regional programmes**, three initiatives were approved in 2014 for an amount approaching EUR 70 million: AI-Invest 5.0 will continue to support SME development in the region with its proven track record. COPOLAD II promoting coordination on drugs policies between Latin America and the European Union and

now including a sub programme for work on drug precursors, and an allocation for the Latin America Investment Facility, LAIF.

Ongoing Latin American programmes include: Erasmus Mundus Action II, which contributes to the promotion of partnerships and institutional cooperation exchanges between higher education institutions from Europe and Latin America as well as supporting students and academics mobility, and EUROCLIMA which is an EU - Latin America climate change programme aiming at knowledge sharing, fostering structured and regular dialogue at all levels, and ensuring synergies and coordination of current and future actions.

The Latin America Investment Facility (LAIF) and the Caribbean Investment Facility (CIF) continued in 2014 to be efficient tools to foster inclusive socioeconomic development and grew in volume by supporting the implementation of key projects in the strategic areas of water and sanitation, energy, transport and SMEs. Their mixed nature, blending grants and loans, allowed LAIF and to a certain extent the younger CIF instrument, to create a leverage effect channelling additional funds into investments which could not otherwise be financed. The EU contribution to the LAIF amounts so far is EUR 196.6 million, which mobilized more than EUR 5 billion in 25 projects in Latin America. For CIF, four projects have been approved so far, for a total amount of EUR 35 million. The initial budget for CIF of EUR 40 million was increased with the allocation of an extra EUR 30 million from the National Indicative Programme of Guyana.

Several programmes in the region entered their last year of implementation. Among these is the EU-**FLEGT action plan** implemented in Brazil, Colombia, Ecuador and Peru to reduce illegal logging and to improve forest governance

Budget support programmes represent almost 20 % of bilateral cooperation in Latin America committed in 2014 with actions approved in **Bolivia**. The majority of budget support operations in the region are in the form of sector reform contracts. The main areas supported include rural and territorial development, food security and security. Budget Support programmes have made a substantial contribution towards the achievement of the development goals for Latin American countries

Case studies

Alternative Development in Bolivia

The Chapare region had become one of the main sources of cocaine production in the world during the 1990s. The pressure of the international community, mainly from the US, for compulsory eradication of coca plants generated social instability. Eradication usually meant leaving peasant families without any source of income or alternative opportunities given their high illiteracy rates and precarious livelihoods. Eventually, this situation had driven them to move their crops deeper into the Amazonian lowland. The European Commission, through its Alternative Development Programme in the region, has worked to modify production patterns based on illicit coca crops, strengthening State presence in the region and improving people's opportunities. The Commission has highlighted the importance of alternative productive activities, basic social infrastructure building, local institutional capacity building, land recognition (by giving legal property titles to the owners) and environmental awareness raising.

30 000 Quetchua and Aymara peasant families benefited from the programme and 3 783 people received national identity cards. 108 schools, hospitals, roads and other basic service infrastructures were built and school enrolment rose 13 %. 1 550 ha of land was reforested and 11 607 families received land titles. There was a marked increase in the employment rate and the volume of exports with 892 soft loans granted to families. Eco-tourism has become a new source of income: the number of visitors has risen by 10.3 % since the beginning of the programme in 1998.

Ecuador –PAPDE

In 2008, the European Union launched its support programme to the Ecuadorian Decennial Education Plan (Programa de Apoyo al Plan Decenal de Educación - PAPDE), which had two phases and a total budget of EUR 75 million. The last disbursement was made in December 2014. Over the years, striking progress has been made, particularly in relation to the quality of and access to education.

The illiteracy rate in Ecuador has been constantly decreasing thanks to a large-scale literacy campaign in Spanish and Quichua (illiteracy rate in 2013: 6.71 % vs. 7.76 % in 2009). Today more Ecuadorian children than ever have access to basic education; in 2013, 96.14 % of all children of the corresponding age were at school with an ever reducing gap between urban and rural enrolments.

Peru-European

The EU development cooperation has produced very positive results in Peru in improving public governance. In particular the budget support to the policy against child malnutrition EUROPAN (EUR 60.8 million) has not only been effective (the prevalence of malnutrition among young children dropped from 23.3 % in 2010 to 14.1 % in mid-2014), but has also generated direct added value in the implementation of the national social inclusion policies and improvement of public finance management (PFM) by targeting of public spending on the poorest, through 'Incentive by results' methodology improving the efficiency of public policy implementation, and adding value for the improvement of PFM at national and regional levels in order to bring more transparency and accountability. This EU innovative budget support helped the government to establish a national Performance Incentive Fund (Fondo de Estimulo al Desempeño) to foster more efficient and result oriented social inclusion programmes at sub-national level, giving financial and operational sustainability to the EU funding. During 2014 the Performance Incentive Fund was further strengthened with additional resources and enlarged to 19 regions.

EUROsociAL

More than 32 000 children, mostly from poor, vulnerable families in high-risk situations are cared for by the National Network for Child Care and Development in Costa Rica, which provides food services and educational stimulation. With this initiative, the government of Costa Rica, in addition to facilitating the inclusion of

women in the labour market and preventing school dropouts, recognises child care as a right of children, and therefore as a public service that the State should offer.

This is just one of more than 100 examples where EUROsociAL, the EU's programme for social cohesion in Latin America, has provided key inputs for the implementation of this public policy. During the drafting of the law that enshrines this initiative, EUROsociAL facilitated visits and information so that Costa Rican institutions knew first-hand how various models of public action work in different European countries.

EUROsociAL mobilises the knowledge of key European institutions and practitioners from public administrations by making use of innovative and modern methodologies like peer learning, South-South and triangular cooperation or institutional partnerships between public institutions.

Improvement of urban public transport

This programme, financed under LAIF and executed in Ecuador, Peru, Panama and Mexico, aims at improving urban public transport systems (transport infrastructure and technologies).

The programme will contribute to address the issue of increasing mass urbanisation in Latin America. Positive outcomes are: availability of better urban transportation within the selected cities, reduced level of air and noise pollution and traffic congestion, reduced travel time for citizens, tangible reduction of CO₂ emissions, and easier access to essential services. It is estimated that the programme will impact favourably upon a population of some 35 million people.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. (See also Chapter 4.1 for more details).

EUROCLIMA phase 2

The Joint Research Centre, with the support of Directorate-General for Development and Cooperation — EuropeAid, is carrying out the EUROCLIMA second phase project in Latin America from 2014-2016. The food security issue in a broader sense is being tackled from the technical and scientific point of view in order to contribute to climate change mitigation and adaptation measures. This is being done through three principal lines of action: reinforcing agriculture's capacity to mitigate the effects of and adapt to climate change; disseminating and deepening knowledge on desertification, land degradation and drought; and refining and applying bio-physical models for crop growth simulation, yield estimation and agricultural systems analysis under climate change. The general objective of the project is to facilitate the integration of climate change mitigation and adaptation strategies and measures into Latin American public development policies and plans at national and (sub) regional

levels. The better understanding obtained regarding the current and future trends of desertification and drought as well as of crop yield estimation will allow the different Latin American stakeholders to have a solid basis for drafting proposals for mitigation and adaptation actions that will reduce the effect of climate change in land degradation in general, and specifically in food security. The project is developing a number of models and tools that are relevant for the monitoring and understanding of the biophysical aspects of desertification, land degradation and drought, and estimating crop yield changes in a changing climate. In this, the relevance of the models and tools for food security will be an important criterion. The products developed in the first phase of EUROCLIMA will be maintained through the DLDD⁶⁸ information system that is in place and new tools and continental products will be added to the system. A number of workshops and training courses are also being organised by the JRC together with local partners in order to contribute to capacity building and South-South cooperation.

2.3.2. Caribbean

Introduction

2014 was a crucial year for the programming of the 11th EDF. In the spirit of the 'Agenda for Change', the National Indicative Programmes for all countries in the region, except the Bahamas, were drafted and signed. Only the Bahamas no longer receive EU bilateral development cooperation. The bulk of the partner countries in the region that have reached the status of middle income country have received reduced allocations. Only Haiti, Belize and Suriname saw their bilateral funding envelopes increased.

Despite these changes, the overall allocation to the Caribbean remain stable around EUR one billion, largely thanks to a significant increase of the regional envelope that will also include a sizeable allocation to the Caribbean Investment Facility (CIF). There was great progress made on the preparation of the Caribbean Regional Indicative Programme. Its finalisation along three priority sectors is expected for the first half of 2015.

The EU also approved the programming document for Cuba, which is mainly supported by the Development Cooperation Instrument (DCI).

Three projects under the Caribbean Investment Facility were provisionally approved in 2014, with a CIF contribution of EUR 14.25 million, for interventions in Belize, Suriname and the East Caribbean.

Haiti has overcome the most urgent humanitarian and reconstruction needs after the earthquake that hit the country in January 2010 thanks to international aid. Nevertheless, it remains the poorest country in the region and a priority country for the EU. The budget support programme of EUR 112 million under the State Building Contract, adopted in late 2013, was signed in March 2014. A first disbursement of EUR 30 million was made in June 2014. The programme aims at achieving better public financial management and public administration reforms, with a particular focus on the education sector. The European Court of Auditors published its Special

⁶⁸ <http://edo.jrc.ec.europa.eu/scado>

Report on EU support for rehabilitation following the earthquake in Haiti (of 12 January 2010). The Court concluded that EU support was well designed and that the Commission addressed priority rehabilitation needs.

Regarding Cuba, in April 2014, the Council approved the negotiation mandate to the Commission towards a Political Dialogue and Cooperation Agreement with Cuba. Negotiations started at the end of April 2014 in Havana and a second round of negotiation took place in October 2014 in Brussels. The Political Dialogue and Cooperation Agreement will encompass the full scope of relations between the EU and Cuba: political dialogue, cooperation, economic relations and trade.

The President of the European Council Herman Van Rompuy visited Haiti and the Dominican Republic in July 2014 and signed the two National Indicative Programmes 2014-2020. During his visit a trilateral meeting sponsored by the EU was held where the Dominican President and his Haitian counterpart agreed to tighten relations and work 'shoulder to shoulder' for the strengthening of the two countries. President Van Rompuy also inaugurated the new EU Delegation in Port-au-Prince.

The EU strategy on citizen security in Central America and the Caribbean, based on a joint proposal from the High Representative for Foreign Affairs and Security Policy and the European Commission was adopted on 30 July 2014. The strategy offers support by combining political dialogue, coordinated capacity building and closer cooperation with international partners. Commissioner Piebalgs commented that insecurity threatened EU development policies and was as a major obstacle to development.

From 1-4 September 2014 the third International Conference on Small Island Developing States (SIDS) took place in Apia, Samoa, under the overarching theme: 'The sustainable development of Small Island States through genuine and durable partnerships.' The Conference brought together Heads of State and Government and high-level representatives of civil society and relevant stakeholders. Commissioner Piebalgs delivered among others a statement at the Plenary Session on behalf of the EU and Member States. All Caribbean countries are SIDS and have undertaken to have their status recognised by the international community in order to better design cooperation and raise awareness of the negative impact of Climate Change.

In September 2014 Commissioner Piebalgs signed a joint declaration on reinforced cooperation with the Inter-American Development Bank (IDB) and the Kingdom of Spain in the field of renewable energy and energy efficiency in the Caribbean region. The joint EU, Spanish and IDB declaration was signed at the margins of the UN Climate Summit in New York. The interest of the parties is to increase coordination and scale-up investments in the field of renewable energy and energy efficiency in view of supporting Caribbean countries to achieve their energy and sustainable development goals.

On 18-19 November 2014, the 4th Trade and Development Committee (TDC) under the EU-CARIFORUM EPA agreement was convened in Brussels. The 4th TDC meeting marked an important milestone due to the fact that the first five yearly review report commissioned by DG Trade was presented and highlighted the achievements and challenges encountered in the first five years of EPA implementation. In addition, the Meeting was immediately preceded by the First Meeting of CARIFORUM-EU

Consultative Committee which was the last of the main institutions of the EPA to be convened.

Some years after the Economic Partnership Agreement (EPA) has come into effect, many of the CARIFORUM commitments in terms of institutional and administrative arrangements have started to be implemented. The EU has fulfilled its commitment to enable virtually all exports from the CARIFORUM countries to access the EU market duty-free and quota-free.

Aid effectiveness and donor coordination

The level of EU coordination on development cooperation in the Caribbean region varies from country to country. The CARICOM (Caribbean Community) Secretariat remains delegated by the Caribbean Member States to coordinate international, regional and national institutions to achieve the objectives of the CARICOM Community on Aid Effectiveness, and to ensure the participation of civil society and the private sector.

Moreover, there is increased coordination and dialogue through senior level meetings to set priorities and ensure effective coordination of EU cooperation activities in the field. The preparation process of the 11th EDF programming documents in 2014, via the National Indicative Programmes (NIPs), has represented a good opportunity to strengthen donors' coordination in the region through consultation with the key actors involved including governments, civil society, the private sector, and financial institutions. In Haiti, the EU coordinated closely in order to ensure complementarities.

Working towards the MDGs

The Caribbean has made very positive progress and achieved several MDG targets. According to the UN's Millennium Development Goals Report 2014, among the MDG targets reached by the Latin America and Caribbean region (few separate data for the Caribbean are available) are halving extreme poverty and halving the proportion of undernourished children, with the proportion of underweight children under the age of five declining from 7 % to 3 % from 1990 to 2012.

The region also reached the drinking water target five years ahead of schedule, with the proportion of the population using an improved water source increasing from 85 % to 94 % between 1990 and 2012. The region is also very close to achieving the target of halving the proportion of the population without basic sanitation. Latin America and the Caribbean has achieved parity in primary education between boys and girls, and is the only developing region in which gender disparity favours girls in both secondary and tertiary education.

Latin America and the Caribbean also has the highest share of women in parliament among developing regions. In 2014, women occupied 26 % of seats in national parliaments, up from 15 % in 2000. This is also higher than the average share in developed countries, which is 25 %.

Of all developing regions, the Caribbean has seen the sharpest decline in the number of people newly infected with HIV. Latin America and the Caribbean have also reduced their under-five mortality rate by 65 % between 1990 and 2012, bringing them closer to achieving their target. The mortality rate for children under five dropped from 54 deaths per 1 000 live births in 1990 to 19 in 2012.

Coverage of pre-natal care in the Caribbean is one of the highest among all developing regions: in 2012, as many as 80 % of pregnant women received at least four antenatal care visits during their latest pregnancy. The adolescent birth rate in the Caribbean declined from 80 births per 1 000 girls in 1990 to 69 in 2011.

Still, Haiti continues to be the country in this region that is well behind the average level in achieving the MDGs.

Implementation & results

Bilateral cooperation

Because 2013 was the last year for committing 10th EDF funds and 11th EDF funds will only become available in early 2015, no new commitments were made in 2014.

Payments for 2014, however, increased significantly reaching EUR 232 million. This represented a 42 % increase with respect to 2013 (EUR 163 million paid). In 2013, a significant number of projects were adopted. Many of the respective Financing Agreements were subsequently signed in 2014. The EDF funded interventions covering a large number of sectors from securing sea and river defences in Guyana, Public Finances Reform programme in Jamaica and a EUR 112 million budget support operation (State Building Contract) in Haiti focusing on key state reforms and the delivery of basic services and education. Besides ensuring the implementation of these new and ongoing actions, the emphasis was also on preparing future 11th EDF actions.

Funding under the Sugar and Banana accompanying measures came to an end in 2013. In 2014, the measures for the implementation of the projects and programmes under these facilities were taken. Payments under the Accompanying Measures for Sugar Protocol countries (AMSP) were EUR 50.5 million in 2014, decreasing by 36 % compared to EUR 79 million in 2013. The beneficiary countries included Barbados, Belize, Guyana, Jamaica and St Kitts and Nevis and Trinidad and Tobago.

As for the Banana Accompanying Measures (BAM) undertaken from 2012-2013 and its predecessors, the Special System of Assistance (SSA from 1994-1999) and the Special Framework of Assistance (SFA from 1998-2008), payments in 2014 were EUR 8.5 million decreasing by 15 % in comparison with 2013. Belize, Dominica, Dominican Republic, Jamaica, St. Lucia, St. Vincent and the Grenadines, and Suriname benefited from BAM payments.

Budget Support

No new budget support programmes (commitments) were made in 2014 due to the reasons explained above.

Budget Support programmes represent almost 59 % of bilateral cooperation with Caribbean ACP states under EDF funds and 80 % of budget (sugar and banana related) in 2014, with budget support programmes approved mainly in Haiti, Guyana, Jamaica, Dominican Republic, Barbados and Trinidad and Tobago. Sectors supported through budget support included modernisation of the state, education, modernisation of the sugar sector, human resource development and environment.

In 2014, a total of EUR 136 million was disbursed in Budget Support programmes to the Caribbean. EUR 100 million was EDF funds and EUR 36 million from the sugar budget line. 50 % of the programmes disbursed were budget programmes supporting

specific sectors such as education, the sugar sector, civil society and local authorities. 25 % of the programmes supported general development and economic transformation policies. The remaining 25 % was destined to a State Building Contract with Haiti aiming to continue the reconstruction and development of Haiti after the 2010 earthquake. This State building contract supports the public administration and decentralisation of Haiti, education and more efficient and transparent public finances management.

EU support to the region has showed progress in more transparent and accountable management of public finances. For instance, the European Union has been assisting Trinidad and Tobago to implement the EITI Standard and to achieve full compliance to EITI International membership. EITI promotes openness and accountable management of natural resources internationally. As a global standard, it seeks to strengthen governments and companies, inform debate and engender public trust in the management of a country's natural resources. The EU has also been collaborating with Trinidad and Tobago on how the EITI standard can be used to mitigate the impact on Climate Change.

With EU-funded Budget Support, the Government of Jamaica has made significant progress in the implementation of the Jamaica Country Strategy for the adaptation of the sugar industry in all three objectives, in particular regarding improvements in productivity of the industry, social mitigation of staff reduction, economic diversification of young farmers, revision of the institutional and regulatory framework to promote renewable energy and progress towards environmental goals.

Regional Cooperation

The last three Financing Agreements under the 10th EDF Caribbean regional indicative programme were signed in 2014, following the respective decisions and commitments in 2013. This meant that the total allocation of EUR 165 million was committed. These projects concerned the 'Wider Caribbean Programme' aimed at promoting cooperation between the Caribbean region and other neighbouring regions including the French Outermost Regions; the 'CARIFORUM Crime and Security Cooperation Programme' promoting a holistic approach to the overall safety of citizens and the improvement of the security environment in the region; and the programme on 'Support to facilitate participation of CARIFORUM Civil Society in the Regional Development and Integration process' partially linked to the implementation of the Economic Partnership Agreement (EPA).

In 2014, the region and the EU have focused on the implementation of the 10th EDF and also the preparation of the 11th EDF Caribbean Regional Indicative Programme (CRIP). The indicative allocation for the regional programme is EUR 346 million, including a substantial amount for the Caribbean Investment Facility. During 2014, complex negotiations with CARIFORUM have been undertaken which will allow the successful conclusion and signature of the CRIP by mid-2015

Case study (bilateral programmes)

In Jamaica, the Security Sector Reform Programme (EUR 33 million) focused on the reform of the Jamaica Constabulary Force (JCF) with accompanying measures in the justice sector. One major direct outcome was the transformation of the police force with the implementation of the JCF anti-corruption strategy. The police force has been able to retire or dismiss a number of police personnel who were involved in
--

corrupt behaviour and the police force now has a zero tolerance policy.

The refurbishment activities at the Police Training College have resulted in a 40 % increase in the intake of students. Another direct positive outcome is the establishment of the Independent Commission of Investigations (INDECOM) which is tasked with the investigation of extra-judicial killings by members of the security forces. The EU and Jamaica agreed on the importance of pursuing their commitment towards a solid security and justice system in the country as a condition for social and economic prosperity. The Justice, Security, Accountability and Transparency Programme (EUR 12.6 million) started in 2014. Under the 11th EDF EUR 23 million is allocated to the justice and security sectors.

Case study (regional programmes)

ENHANCED COMPETITIVENESS AND ECONOMIC GROWTH

One of the key regional initiatives under the 10th EDF has been the continued funding of the Caribbean Export Development Agency (CEDA). Through the EUR 28 million private sector development project, CEDA is supporting Caribbean companies to take advantage of the EPA by strengthening their competitiveness and supporting their export capacity both to the EU and within the region. The EU's long-term commitment to CEDA, building on work done under the 7th, 8th and 9th EDF over the past 15 years has resulted in a number of achievements. Most notably, CEDA works towards enhancing competitiveness and innovation among CARIFORUM's private sector while also promoting trade and export development among CARIFORUM States. CEDA offers technical assistance, workshops, training courses and study tours, as well as spearheading high level policy meetings. The agency also assists business support organisations and enterprises with individual grant applications and promotes Caribbean exports through fielding and accommodating of investment and trade missions. During the initial stages of implementation of the 10th EDF Programme (2011-2013) CEDA assisted more than four thousand beneficiaries from 2 027 CARIFORUM firms.

CEDA is also managing a range of related programmes covering trade in services, Haiti/ DR relations, investment promotion and entrepreneurship.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. (See also Chapter 4.1 for more details).

Perspectives

The specific needs of Small Island Developing States (SIDS), for example challenges related to climate change and energy security, were also identified as a priority for the Caribbean region. The Caribbean islands are heavily dependent on imported energy resulting in high electricity costs. Several islands are developing renewable

energy and/ or energy efficiency programmes to address this problem. The Caribbean Investment Facility (CIF) can play a major role in facilitating and leveraging investment in this context. Climate change and energy are taken up in the priorities of the Regional Indicative Programme.

As regards EU-Caribbean cooperation, it is expected that the Regional Indicative Programme with CARIFORUM can be finalized quickly and signed by mid-2015, which would complete the 11th EDF programming process for the Caribbean ACP States. The three priority sectors foreseen will be regional economic integration; environment, climate change and energy; and crime and security. The foreseen allocation is EUR 346 million. In 2015 the first actions under the 11th EDF bilateral programmes will be ready to be approved.

Negotiations towards a Political Dialogue and Cooperation Agreement with Cuba are set to continue.

Identification of priority actions under the Haiti National Indicative Programme for 2014-2020 will start in 2015. Building resilience will be a common thread. In view of a gradual reduction of humanitarian aid, Directorate-General for Development and Cooperation — EuropeAid and ECHO are developing a joint framework of integrating resilience in all activities to ensure a smooth eventual phase-out of humanitarian aid (the Joint Humanitarian Development Framework).

The 11th EDF programming process for the Overseas Countries and Territories (OCTs) has also entered a new stage. Considerable progress should be achieved throughout 2015, with the aim of arriving at Financing Decisions in 2016. The technical assistance made available by end 2014 to several OCTs should be instrumental in this sense.

The importance of fostering cooperation between OCTs, Outermost Regions and ACP countries is acknowledged by these parties and Directorates General EuropeAid and REGIO. The 'Wider Caribbean' programme, whose implementation will start in 2015, is a first promising step in the right direction.

2.4. Asia, Central Asia & the Pacific

2.4.1. Asia

Introduction

The year 2014 proved to be one of intensification of the EU's engagement with Asia, in particular with our four strategic partners India, China, Japan and South Korea. The year was marked by the first ever visit of a Chinese President to the EU institutions in March. The Tenth ASEM Summit was held in Milan in October. Topics of global importance, including climate change, sustainable development, economic and financial challenges, as well as regional and international issues were discussed.

The EU continued to play its role in terms of support to the stability and security of the region. High level dialogues, regular political consultations, economic and sector policy dialogues and the assistance provided to Asia remained at their highest intensity. There is a continued good pace in the negotiation of Framework Agreements, Cooperation Agreements and Free Trade Agreements. The Framework Agreement with South Korea entered into force on 1 June.

Cooperation between EU and ASEAN was further strengthened, through the implementation of the Brunei Plan of Action 2013-17. Working towards a more ambitious EU-ASEAN political partnership, several high-level visits and meetings took place that confirmed the positive momentum including the 20th EU-ASEAN Ministerial Meeting which took place in Brussels in July.

Despite economic constraints, the financial envelope allocated to Asia under the new financial framework for 2014-2020 has significantly increased. Twelve countries in Asia are eligible for bilateral development aid. Another six countries (China, India, Indonesia, Thailand, Maldives and Malaysia) have graduated but preserved eligibility for programmes with a regional or thematic focus. The first action programmes under the new financial envelope have been launched.

Aid effectiveness and donor coordination

The EU is among the most active donors in **Afghanistan** in the key sectors of its development such as agriculture and rural development, governance (including elections), health, security, and regional cooperation. The EU channels a large part of its funds through the major multi-donor trust funds for Afghanistan. At the same time, the EU is a major partner in policy dialogue; it has a leading role in steering policy discussions on human rights, with a focus on women's rights, subnational governance, agriculture and rural development, and health and nutrition. The EU is a strong advocate for programmes that strengthen governance also in terms of service delivery and local development.

The government and donors coordinate their interventions closely in **Bangladesh** through the local coordination groups and in 2010 elaborated a Joint Cooperation Strategy covering the period 2010-2015 which provides a division of labour and lays out guidelines on effective EU collaboration to achieve key development outcomes. The EU chairs the Governance and the Aid effectiveness working groups. A joint evaluation of development cooperation from Sweden, Denmark and the EU started at the end of 2014. The EU+ group (including Norway and Switzerland) initiated a joint

analysis exercise in 2013 with a view to having a coordinated response to the Bangladesh 7th Five Year Plan starting in 2016 as a first step towards joint programming.

In **Cambodia**, all the EU partners represented locally, as well as Switzerland, finalised and launched in 2014 a first joint European Development Cooperation Strategy 2014-2018. The Strategy, which is fully aligned to the Government's own national strategic development plans for this period was a result of a year and a half long coordination involving the European partners, in consultation with the government, civil society, the private sector and the wider donor community in the country.

In **Myanmar**, the EU remains fully engaged to improve the effectiveness of development coordination. On 24 November 2014, the EU and its Member States, together with the Government of Myanmar presented the Joint EU Development Partners' Transitional Strategy for Myanmar 2014-2016. This strategy will maximise cooperation and efficiency between the EU and its Member States in their support of Myanmar by utilising a single, joint framework in the implementation of development initiatives. In total, European Development Partners have committed to provide annually over EUR 270 million.

In **Pakistan**, the EU plays a prominent role in donor coordination at both federal and provincial level, including through active engagement in several sector donor groups on education, environment, human rights, and trade policy. The EU Delegation has helped a Local Education Group to be established in Sindh, which is now fully functional. A strategic country level evaluation was launched at the end of 2014 with the objective of providing an overall assessment of the EU's cooperation strategy and delivery with Pakistan between 2007 and 2014. It is expected that this evaluation will feed into a possible joint programming exercise. Large scale consultations with civil society were carried out through questionnaires that generated more than 500 responses for input into a Pakistan Civil Society Roadmap to be finalised in the first semester of 2015.

Working towards the MDGs

According to the 2013 **Bangladesh** MDG Progress Report the country is on track or has already achieved five of the eight MDG goals. The country has made remarkable progress in the areas of poverty alleviation (absolute poverty lowered from 50 % in 2000 to just over 30 %), primary school enrolment, gender parity in primary and secondary level education, lowering the infant and under-five mortality rate and maternal mortality ratio, where a 30 % reduction in deaths during child birth over a four to five year interval was secured. However, Bangladesh is still lagging behind in key target areas of environmental sustainability, sanitation, nutrition and certain aspects of gender equity and hunger.

Cambodia has achieved outstanding socioeconomic progress from 2004-2014, not only with impressive economic growth rates but also ranking as the 4th best performing country on MDG targets globally and the 2nd best among all the LDCs. It has already achieved or surpassed most of the MDGs ahead of time. While its Human Development Index still ranks very low in both global and regional comparisons, the rate of its improvement has been unprecedented in the Asia-Pacific region. The country's growth was pro-poor, with a sharp decline in poverty incidence

(from 52 % in 2004 to 19.5 % in 2014) as well as reduced inequality. However, the majority of those lifted out of poverty remain highly vulnerable, just above the poverty line. Therefore, much remains to be done to consolidate and further advance the progress towards achieving inclusive and resilient growth.

Implementation & results:

During 2014 the EU committed EUR 182.5 million to support **Afghanistan** in the areas of agriculture and rural development, health and nutrition, local governance, the election process, and strengthening parliament. This pledge is in line with the International Community's commitment to aligning 80 % of aid with Afghanistan's National Priority Programmes and channelling at least 50 % of international development assistance through the country's national budget.

In **Bangladesh**, the Multiannual Indicative Programme was adopted for a total of EUR 690 million with three focal sectors: democratic governance, education and skills development, and food and nutrition security. Environment and climate change will be integrated in all sectors. The first programme under the new programming cycle was approved in 2014 in the form of a EUR 25 million programme of support for the Village Courts enlarging an earlier programme that was supported under the CSP 2007-2013. The specific objective is to improve access to justice at local level in a number of rural areas. The Government of Bangladesh is strongly committed to accelerate inclusive growth and reduce poverty with the aspiration of accessing middle income country status by 2021. In 2013, GNI per capita reached USD 1 044. However, structural causes of chronic poverty are not properly addressed by most poverty reduction programmes, and the risk of falling under extreme poverty due to recurrent natural disasters and shocks remains acute. In the aftermath of the Rana Plaza factory collapse in 2013, the European Union, the United States and the International Labour Organization (ILO) joined with Bangladesh to undertake a series of significant commitments to foster respect for fundamental labour rights and ensure worker safety and health in the garment sector. Since then, a number of steps have been taken such as amendments of the labour law, factory inspections and improvements, and registration of new trade unions.

In 2014, the EU continued its support to **Bhutan** in the sector of Renewable Natural Resources assisting Bhutan with the sustainable development of these resources by creating an enabling environment including further development of its institutional regulatory frameworks and developing the value chain of Renewable Natural Resources. Under the Global Climate Change Alliance (GCCA) Facility, the EU is assisting Bhutan to mainstream climate change into the Renewable Natural Resources Sector. In August, a Multi Annual Indicative Programme 2014-2020 for Bhutan was adopted by the Commission, with an allocation tripled (EUR 42 million) in comparison to the previous programming period. The EU will support local governments and civil society, as well as sustainable agriculture and forestry, in full alignment with the Royal Government of Bhutan's 11th Five Year Plan.

In 2014, **Cambodia** has made visible progress in all main EU areas of support most notably in Education, Agriculture and Public Financial Management reforms. EU support is increasing threefold to EUR 410 million for the period 2014-20 compared to 2007-13. This funding will further advance the EU's successful programmes in the

focal sectors of Education, Good Governance (including Public Finance Management reform, and decentralisation) and Agriculture & Natural resources management. Based upon positive results witnessed in its Education sector budget support and its aid effectiveness commitments to increase Government ownership, the EU will explore options to further expand aid implementation modalities that support country systems into other sector areas.

In the **Maldives**, an additional allocation of EUR four million was decided by the Commission to ensure a seamless continuation of EU support to Climate Change in the Maldives until 2018. The new funds will enlarge and replicate existing activities on renewable energy, water management and coral reef monitoring in the atolls of Addu and Fuvahmullah.

In **Myanmar**, the EU co-funded Livelihoods and Food Security Trust Fund (LIFT) has supported 576 000 rural households up to mid-2014. Among these, 290 000 households increased their food security, 50 000 households have increased their number of assets, 171 000 households were involved in Cash-for-Work, 250 000 people took part in capacity development training and 7 300 households with disabled persons were supported. In 2014, the EU took the decision to provide additional funding of EUR 60 million to LIFT bringing the total EU funding to EUR 115 million.

Nepal remains a 'post-conflict' and 'fragile' country and ranks as the third poorest country in South Asia. Despite the political impasse, it has reduced extreme poverty incidence from 42 % in 1996 to 25 %. In 2014, the EU continued its assistance in the Education sector, through Sector Budget Support (School Sector Reform Programme with EUR 31.6 million committed in 2012), in order to increase access and improve the quality of school education. The assistance to 'Stability, Peace consolidation and Governance' was continued also to support the capacity of the Nepali State to implement sustainable peace building activities pursuant to the Comprehensive Peace Agreement, but also through the support to the electoral process. Moreover, the EU has launched a EUR 10 million programme to enhance Public Finance Management at central level, through a multi-donor Trust Fund managed by the World Bank, and at local level, through a project implemented by the Asian Development Bank. In August, the European Commission adopted the Multiannual Indicative Programme 2014-2020 with an allocation of EUR 360 million tripled compared to the previous programming period. The EU will support sectors of Education, Sustainable Rural Development, Democracy and Decentralisation.

January 2014 witnessed the granting of GSP+ status to **Pakistan** to promote sustainable development on condition that Pakistan ratifies and implements 27 international conventions related to human rights and labour rights, the environment and good governance. The implementation of GSP+ is subject to monitoring and assessment by the Commission.

EU bilateral assistance to Pakistan increased to EUR 653 million for the period 2014-2020, providing support to three focal sectors: rural development; education; good governance, human rights and rule of law. The first programmes under the new programming cycle were adopted in 2014, including a EUR 20 million support programme for primary education in Balochistan and a EUR 77.5 million programme to support the Government of Sindh in stimulating community-driven local

development initiatives to reduce poverty, paying particular attention to empowering women.

Following on from the 2013 elections, local elections were held in Balochistan province in 2014, but the other provinces are yet to hold local elections and the overall political situation remained tense with the opposition party contesting the 2013 election results. Support to electoral reform and parliamentary strengthening, therefore, continued to be a cornerstone of the EU's support to strengthening democratisation in Pakistan.

In the **Philippines**, the new multiannual indicative programme 2014-2020 will more than double EU assistance. The increase will bring EUR 325 million and focus on two sectors: rule of law and inclusive growth, through sustainable energy and job creation. Key programmes for the implementation of the new MIP were adopted on 'Access to Sustainable Energy' (EUR 60 million) and for 'Governance in the Justice Sector' (EUR 16 million).

A first project blending EU grants with loans from an EU member state was approved for the Philippines with a grant of EUR 4.8 million for disaster risk preparation accompanying a EUR 110 million loan of AfD (France). The EU budget support to the health sector supported the Government's efforts to achieve universal health care, targeted at poor and vulnerable families demonstrated by the significant increase in the national health budget of 25 % in 2013, followed by a more than 50 % increase in 2014. The fast growing enrolment rate of 84 % in the national health insurance scheme is a strong success indicator. The Department of Health deployed almost 25 000 health professionals to improve health services for the poor across the country contributing to better child health.

In 2014 main achievements in **Sri Lanka** were evidenced by the 'European Union Socioeconomic Measures' which came to an end. The programme provided assistance on integrated planning at village level and integrated approaches ranging from infrastructure benefitting rural and fishing communities to support at household management level as well as support to SME development.

In 2014, the EU has prepared a programme to promote access to justice to the most vulnerable citizens of **Vietnam** (children, women, ethnic minorities). During the year, support to the health sector through sector budget support has resulted in the expansion of health insurance benefits, particularly for the poor: 69 % of Vietnamese are already insured compared to 66 % in the previous year. The number of births attended by skilled birth attendants has also increased, specifically at the local commune level, which is likely to result in future progress on maternal health and maternal mortality. The EU effort was also instrumental in fostering an increase of the Government's expenditures for the health sector both at the national level and in the nine poorest provinces.

A total envelope of EUR 1260 million has been allocated for **regional actions** in Asia for the period 2014-2020. Of this, EUR 889.5 million will be used via the Regional Asia Multiannual Indicative Programme, and a further EUR 370.5 million will be used to support Higher Education via Erasmus+. The Regional Asia Multiannual Indicative Programme has three focal areas; these are Regional Integration (including Trade), Aid to Uprooted People, and Promotion of a Green Economy. The Regional Asia Annual Action Programme for 2014 already includes programmes to support Disaster

Preparedness in South Asia, an EU-ASEAN Dialogue Instrument, support to Uprooted People in Afghanistan, Bangladesh and Sri Lanka, a continuation of the successful SWITCH-Asia programme on Sustainable Consumption and Production, and an increased envelope for the Asia Investment Facility, which blends EU grant funding with loan investments led by EU International Financial Institutions.

Case Studies

The EU played a central role in supporting the 2014 Presidential and Provincial Council elections, which marked the first-ever peaceful transfer of executive power in **Afghanistan**. Rendering assistance to the electoral institutions for the first Afghan-led elections and promoting a high turnout of women in the elections were among the EU's key objectives (women cast 37 % of the votes). The EU Election Assessment Team (EAT) was the largest international observation mission with 410 observers deployed for an unprecedented audit of the election results, which paved the way for the formation of a Government of National Unity.

500 **Bangladesh** Union (*Courts*) provided with access to justice. Since 2007, the Commission has helped to establish Village Parishads (*Courts*) in 500 selected union councils (the lowest tier of local government) which help to reduce the pressure created by a backlog of cases in the courts, and permit easy access to justice at local level. This is done by enhancing capacities of officials, staff and village policemen to perform their respective functions in the Village Courts, and through an improved legal framework through amendments to law and implementation procedures.

In **Cambodia**, about 25 % of poor households in Siem Reap urban and peri-urban area of Siem Reap are at severe risk of suffering lack of food up to six months every year. Improving food security therefore is important with a focus on increasing income generation and supplementary food production for improved nutrition wherever possible. Through the project 700 households now access home vegetable gardens applying improved farming practices. In addition 1 275 poor have gained vocational and technical skills and improved jobs or micro-businesses: the profit of micro-businesses multiplied by three times on average and average income of workers after vocational trainings multiplied by five times. As a result, 350 poor entrepreneurs and craftsmen entered or improved their place in the horticultural and handicraft value-chains and 89 % of the VET trainees found a job.

The contamination of unexploded ordnance (UXO) continues to pose constant threats and major challenges to the development opportunities of rural populations in **Laos**, which is estimated to be, per capita, the most heavily bombed country following the Indochina war. One out of four villages is still contaminated, and around 80 million cluster munitions are still littered throughout the country. Together with other donors, the European Commission has contributed to clear 15 931 ha and as a result, the number of UXO victims, has reduced from 302 casualties in 2008, to around 40 in 2014.

The EU is supporting a four year programme (2013-2016) in **Pakistan** to improve nutrition for malnourished children and mothers in rural parts of Sindh province. The EUR 30 million support package of the Women and Infant Improved Nutrition in Sindh programme will benefit an estimated 280 000 children under the age of five, 500 000 pregnant and lactating women and 150 000 carers of children. The

programme is part of a worldwide campaign by the EU to fight malnutrition in all its forms and close synergies will be developed with the newly approved EUR 77.5 million assistance for community driven rural development initiatives in Sindh.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. (See also Chapter 4.1 for more details).

The report on the 2013 monitoring exercise covered a total of 191 projects in Asia and 46 in central Asia, for a total of 237 projects with a value amounting to EUR 878 Million. Security concerns in some Asian countries, such as Pakistan, Afghanistan and North Korea, did not prevent Result Oriented Monitoring (ROM) missions to these countries.

In late February 2014, the Asia ROM consultants (ECORYS) reported on the ROM implementation. It was concluded that most programmes performed well and, typically, ROM missions over the years have identified problems in EU development assistance programmes targeting Asia and Central Asian in the areas of:

- Project staffing and delayed financial transfers, that are generally prevalent in the earlier stages of the projects,
- Project Management with inappropriate organisational set up,
- Low level of financial sustainability and viability, in particular in the case of NGO programmes,
- Poor programme designs that were overly ambitious; choice of inappropriate partners; lack of clarity roles and responsibilities and lack of involvement of key stakeholders.

Amongst lessons learned to mitigate risks, monitors suggest a mandatory inception phase to fine tune programme design and get operational structures up and running before the projects start. Also, the value of an effective results-based management information system is highlighted with reliable baseline data, if used as an integrated tool by project management to keep track of progress. Such a system can facilitate early intervention when problems appear.

According to the most recent ROMs national programmes received good scores across the board with 70 % of the programmes indicating good and very good performance and only 4 % reporting major difficulties. However, the overall performance of regional programmes recorded lower scores in terms of efficiency and effectiveness due to problems encountered in implementation of activities. By their very nature regional programs have to cater for the varying contexts within which they operate and the differing capacities of the participating countries.

Perspectives

In **Afghanistan**, 2014 was a particularly challenging year due to protracted controversies around the Presidential elections and the long time needed to reach agreement on a national unity government, which also impacted negatively on security and economic development. Nevertheless, at an international conference held in London in December 2014, the new government presented an ambitious programme of economic and governance reforms. In line with the EU's high level political commitments, the 2014-2020 multi-annual programme maintains funding levels comparable to those of the preceding period (2007-2013). 20 % of the EUR 1.4 billion budget for the period is set aside as an incentive to government reforms in line with the principles of the Tokyo Mutual Accountability Framework.

An EU Joint Programming is scheduled from 2016 in **Nepal**. This should provide space for the EU partners to continue the present pragmatic and programme-focused approach to division of labour in the context of broader donor coordination. Such an approach has already resulted in a number of good practice examples between EU partners in the form of delegated and transfer agreements, joint appraisals, pooled funds, or within-sector agreements on division of labour.

In **Sri Lanka** the EU launched its new multiannual programme for the period 2014-2020 which features an increase of the aid portfolio from EUR 112 million to EUR 210 million for rural development, subject to the developments in the country, notably as regards human rights and the implementation of development cooperation.

In **Vietnam**, the EU launched its new multiannual programme for the period 2014-2020 which features an increase of the aid portfolio from EUR 300 million to EUR 400 million. During the next seven years, the EU will support the country in greening its energy mix while ensuring access to electricity to the poorest sections of the population. At the same time, it will continue to promote the creation of a society based on the rule of law, where citizens have access to basic services, including justice and health. It will do so by accompanying government's reforms and working with a number of actors, including EU member states agencies and civil society organisations.

Throughout the region, Erasmus+ will be the focus for modernisation and internationalisation efforts in higher education, through mobility and cooperation projects.

2.4.2. Central Asia

Introduction

During 2014 the EU expanded its engagement with the countries of Central Asia and embarked on a review of the EU Central Asia Strategy. The EU-Central Asia policy dialogue intensified at various levels including ministerial conferences, regional technical groups and national level dialogue (notably under the Flagship Initiatives established for the priority areas of Rule of Law, Education and Water and Environment) enhancing further cooperation and promoting the effective implementation of projects at regional and bilateral level.

2014 was marked by planning process and preparation of the new framework for development cooperation 2014-2020. The global allocation to Central Asia (EUR 1 028 million) increased by 56 % compared to the previous period. 'Security for

Development' has become a new priority focal sector of the regional programme alongside 'Sustainable regional Development'.

Focus on reducing poverty

Central Asia met the MDG target of halving the percentage of under-nourished people. In the region, the proportion of hungry people fell from 14 % in 1992 to 7 % in 2013. The percentage of people living in extreme poverty, or living on less than USD 1.25 a day, dropped from 10 % to 4 % between 1990 and 2010, which means the region met its poverty target ahead of 2015. Nevertheless, wide disparities in human development continue to exist, income inequalities and poverty are widespread and gender inequalities remain. Central Asia continues to be vulnerable to external instability stemming from water scarcity, cross-border water disputes and unsustainable energy use. EU cooperation through the DCI focuses on agriculture and rural development, support to social and private sector, sustainable energy development and environmental protection, including the management of water resources.

Aid effectiveness and donor coordination

Donor coordination is improving across the region, thanks in part to the EU-Central Asia Strategy and its implementation mechanisms, and as a result of country-level efforts. The EU has also increased its cooperation with international financing institutions, enhancing overall coordination and enabling a sharper focus on priority areas to improve the impact of assistance.

During 2014, the Commission continued to foster donor coordination and implement the EU Code of Conduct on the division of labour in Central Asia. Notable results have been achieved in Tajikistan and Kyrgyzstan, where joint cooperation strategies with other donors have been in place since 2008-09. Coordination with the World Bank was reinforced in the region regarding water and energy issues, notably through EU participation to the World Bank led Central Asia Energy and Water Development Programme.

In Uzbekistan, the Delegation and EU Member States held regular coordination meetings.

In Kyrgyzstan, the EU became co-chair of the broader donor group – the Development Partners Coordination Council – which meets monthly. The cooperation is specifically advanced in the Health sector, where a Sector Wide Approach is applied. A similar arrangement is being prepared for the Education sector, under EU and UNICEF leadership. Cooperation on PFM is also relatively advanced, thanks to the multi-donor Trust Fund arrangement that is in place.

In Tajikistan, work on the division of labour in the country continued through the Development Coordination Council. Within this framework, donors are looking for greater transparency on current and planned activities with the aim of avoiding double funding and increased synergies between activities. The cooperation continued using the country system wherever specific conditions are met. In 2014, around one-third of EU support was channelled through sector budget support programmes.

Although Turkmenistan is not yet a signatory of the Paris Declaration, recently regular coordination meetings have been held in Ashgabat where EU and non-EU

actors discuss their activities in key sectors for development. The Commission cooperates closely with European Development Finance Institutions (EDFIs) to identify areas for common action, in particular in infrastructure development (energy efficiency and renewable energy, water, clean technology) which can combine European Banks loans with EU grants for technical assistance to ensure the sustainability and impact of the investments.

Working towards the MDGs

Having already met the poverty target, countries in Central Asia appear close to meeting others on education and gender equality by 2015, but the region's environmental targets will be missed unless greater efforts are made. As a whole, the region has been close to achieving universal primary education, but has made little progress since 2000. Child mortality and maternal health remain major challenges although the region has reduced the under-five mortality rate by more than half and the maternal mortality ratio by half. Little progress was made on access to water and safeguarding natural resources though protecting terrestrial and marine areas.

Kazakhstan has achieved the MDGs 1, 2 and 3 and has set more ambitious 'MDG+' goals: to halve poverty among the rural population; achieve universal secondary education; ensure gender mainstreaming in national planning and budgeting; prevent violence against women; and increase women's representation in legislative and executive bodies. It has also achieved the indicators for skilled birth attendance (MDG 5) and TB incidence and prevalence (MDG 6). However, there are some troubling trends for the underweight children indicator (MDG 1).

The **Kyrgyz Republic** has made considerable progress in the achievement of the MDGs. The target benchmarks for a number of indicators for MDGs 1, 2, 3 and 8 have been already reached. The country was on track to reach MDG 4 and has attained the MDG 6 targets on TB incidence and prevalence. Nevertheless, a number of goals need increased attention, including those related to maternal health and combating HIV/AIDS. The first negative effects of climate change on progress towards MDGs, economic and social sectors require that appropriate adjustment measures be made.

Tajikistan saw no major changes compared to 2013. The country attained MDG 1 and has reduced the TB prevalence and incidence (MDG 6). However, progress was slow with some of the gender equality indicators. The country has met the targets on CO₂ emissions. The latest progress towards achieving some MDGs in Tajikistan shows new challenges, such as the lowered level of education of young people, increased unemployment, a worsening in drinking water quality, deterioration of sanitation, difficulties with energy supply, onset and the rapid spread of infectious diseases, malnutrition prevalence and food crisis, amongst others.

The lack of transparent data continues to be also a major constraint in the analysis of economic and social developments in **Turkmenistan** and has not allowed the proper monitoring of progress towards MDGs. However, donors have reported moderate progress towards the achievement of some MDGs such as the gender equality, child mortality, maternal health, combatting HIV/AIDS and environmental sustainability.

Uzbekistan has attained the MDG 6 target on tuberculosis incidence, but is the only country in Central Asia still to achieve MDG 2 primary enrolment and completion

target. While the country is coming close to reaching its MDG of reducing the rate of population living below the poverty line to 14 % in 2015, poverty remains a serious problem in rural areas.

Implementation & results:

In 2014, EU development cooperation commitments to Central Asia totalled EUR 119.3 million.

In **Kazakhstan**, the bilateral cooperation continued with programmes on public sector reform, economic diversification and foreign investments, and support to judicial reform.

In **Kyrgyzstan**, the Social Protection support programme has contributed to progress in public financial management reform (notably the realisation of an internal audit) and to the adoption of several government programmes aiming to improve care of children living in institutions. A new support programme has been adopted at the end of 2014 aiming to consolidate achievements and to phase out the EU support in the sector.

In 2014, good progress was registered in the implementation of education and public financial management reforms. New actions with EU Member States' institutions on Judicial Reform and NGOs on civil society and media were prepared within the Rule of Law programme.

In **Tajikistan**, support to health and social protection reforms has continued, through budget support and complementary technical assistance, leading to further scale up of basic benefits packages and introduction of a health management information system and expansion of community based social service delivery mechanisms and of targeted social assistance.

More specifically the Targeted Social Assistance scheme has been expanded by end of 2014 to eight additional rayons (local administrative units). In 2014, more than 60 100 families applied for the benefit and more than 49 000 families were enrolled and got the benefit. In 2014 the Ministry of Health and Social Protection (MHSP) signed 11 new contracts with NGOs for provision of specialised social services for the population in non-institutionalised environment and these contracts covered full costs of the services.

Additionally progress has continued in relation to improving public finance management where Tajikistan has been set as example for CIS countries in terms of public internal audit reforms.

In **Turkmenistan** two new EU bilateral projects started in 2014 aiming to improve the development of the legislative framework with a view to foster private sector development and renewable energy policies.

In **Uzbekistan**, two main programmes were finalised. The EU programme in support to the Reform of the Criminal Justice Sector, implemented by the specialised agencies of EU Member States, has provided capacity building at strategic and operational levels within the Uzbekistan Supreme Court Research Centre, the General Prosecutor's office, the Ministry of Justice and the Ministry of Internal Affairs.

The Improvement of Mother and Child Health Services contributes to ongoing health reforms by implementing an integrated package of new-born and child survival interventions.

The **Investment Facility for Central Asia (IFCA)** continued to provide targeted assistance by blending EU grants with loans from EFIs to gain financial and qualitative leverage and thereby increase the impact of EU cooperation. IFCA contributes to the funding of activities in the sectors of environment (renewable energies and energy efficiency), energy (renewable energies and energy efficiency), municipal infrastructures (waste, water) and SMEs. In 2014, four new projects have been prepared for a total amount in IFCA grant contributions of EUR 14 million contributing to investment projects amounting to a total value of roughly EUR 28 million. The new projects target SME and municipal infrastructure development, and include a first IFCA activity in Uzbekistan.

Building on phase I, the EUR two million **EU-Central Asia Rule of Law Platform** project phase II continues to be the implementing mechanism for the 'Rule of Law Initiative for Central Asia'. The Fourth Ministerial Conference of December 2014 reconfirmed the priority areas of cooperation and welcomed the progress achieved since the inauguration of the European Rule of Law Initiative for Central Asia: constitutional law, administrative law, criminal justice and strengthening judicial capacity, including training activities for legal professionals. Phase II started in February 2015 and will run until February 2018.

The implementation of the **Regional Environmental Programme (EURECA)** continued as well as the activities of the **EU-CA Platform for Environment and Water cooperation**. Regional EU-Central Asia seminar was organised in Brussels in April 2014 on environmental governance and climate change.

The **Central Asia Sustainable Energy Programme (CASEP)** continued its activities in 2014 to develop National Energy Plans targeting in particular Energy Efficiency and Renewable Energy in Central Asia. Regular seminars and progress were achieved particularly in Kyrgyzstan and Tajikistan where the government's response and participation was quite high.

The **Central Asia Education Platform (CAEP)** responds to the need for a more structured dialogue on education modernisation in the region and for coordination of EU and Member States cooperation initiatives in this sector. In 2014, two main conferences were organised on 'Teacher Policies and Quality Approaches' and 'Labour Market Needs and Best Practices'. A second phase of the project begins in 2015, with an important EU - Central Asia Ministerial Education conference on 'Higher Education and Vocational Education and Training' to be organised under the auspices of the Latvian Presidency in Riga on 25-26 June 2015.

In operation since July 2009, the **Central Asian Research and Education Network (CAREN)** provides a dedicated high-capacity Internet network, connecting academics and students at over 300 institutions across Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. In September 2014, the first CAREN Regional Conference on 'Innovative Internet for Researchers and Higher Education' was successfully organised in Almaty, Kazakhstan.

The sixth phase of **Central Asia Drug Action Programme (CADAP)** was developed throughout 2014 to start activities in 2015 and will support drug prevention/reduction

measures preventing and reducing drug use and drug-related harm to health and society.

The new phase of **Border Management Programme in Central Asia (BOMCA 9)**, planned to start in April 2015, will provide capacity building to strengthen Integrated Border Management and will also address socio-economic factors of instability (notably in Fergana Valley) and support facilitation measures to increase legal movement of persons and goods.

The future phases of BOMCA and CADAP will complement a number of other instruments such as the Rule of Law programme, MIEUX project on migration, Heroin Routes programme and others.

Within the **Central Asia Invest programme** which promotes the development of the private sector in Central Asia, all the granted projects started their activities in the region. A networking meeting was held in Dushanbe in September for all the beneficiaries of the programme so they could express their views on the programme, share their experiences and find synergies in the ongoing project implementations. As for the policy component, the results of the OECD public private working groups on SMEs competitiveness held during the year in Tajikistan were peer-reviewed at the OECD Competitiveness roundtable in Paris in November.

Improving lives by advancing energy efficiency - Kyrgyzstan

The Kyrgyz Sustainable Energy Financing Facility (KyrSEFF) offers loans and grants for the improvement of energy efficiency of residential buildings and industrial enterprises. This EBRD funded investment project of EUR 15.4 million is complemented by an IFCA contribution of EUR 6.8 million, permitting an attractive bonus scheme where individual projects can receive grants of 10 – 35% on the KyrSEFF eligible loan.

Abdimavlyan Kurbanov, the owner of a small café in Karakol, one of Kyrgyzstan's major tourist destinations, is one of the beneficiaries of KyrSEFF. Due to bad insulation, Mr Kurbanov spent a lot of money on heating bills and sometimes even had to close his café on cold winter days.

He applied for a loan of USD 50 000 from KyrSEFF offering more attractive conditions than regular loans, and, thus, being affordable for him. The IFCA grant component played a very important role in the affordability of the loan. The loan helped him to improve the café's insulation. Energy savings resulting from this project were estimated at 49 %, corresponding to CO₂ emission savings of 22.9 tonnes/year.

Empowering communities to rehabilitate people with disabilities in Tajikistan

Persons with disabilities remain one of the most vulnerable groups in Tajikistan. A common coping strategy in rural parts of the country is to isolate and passivate persons with disabilities. This approach has negative effects especially for children

preventing their mental, mobility and social development. Due to the poor state of Tajikistan's health care system, medical personnel often lack the know-how to successfully provide rehabilitation for children with disabilities. As a result, many children are either deemed as helpless or given inappropriate or unnecessary medical attention.

With support from the EU, Caritas Germany, together with local NGOs, has introduced a system of Community-Based Rehabilitation (CBR) targeting 400 families of people with disabilities in the city of Ghonchi and in two surrounding communities. Twenty local, home-based rehabilitation workers have been recruited and provided with CBR training and manuals from WHO in order for them to practice and promote the concepts behind the CBR: to empower people with disabilities to get access to and benefit from education, health, social services and employment by involving their families, local communities and the people with disabilities themselves.

Supporting the introduction of sustainable energy policies in Turkmenistan

With around EUR 3 million bilateral programme on 'Support to the introduction of sustainable development policies' over a period of three years, this project aims to support the Turkmen authorities in the revision of their legislative framework with a view to foster the transition to a more green economy. Specific seminars and training courses with key Turkmen institutions were organised in 2014 for the elaboration of a joint strategy to 'switch to green' and additional activities are being designed for the current year. The project has also a demonstration component which will result in the installation of photovoltaic panels for solar energy in remote and less-populated areas of the country.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. (See also Chapter 4.1 for more details).

Perspectives

2014 was marked by the programming of EU aid for the period 2014-2020. Multiannual Indicative Programmes for the region were adopted. The EU assistance is set to rise to EUR 1 028 million for 2014-2020. The future EU bilateral cooperation will have a stronger focus on education (Turkmenistan, Kyrgyz Republic and Tajikistan) and rural development (Kyrgyz Republic, Tajikistan and Uzbekistan). Building on previous programmes, the EU will enhance cooperation on rule of law (Kyrgyz Republic) and in the health sector (Tajikistan). In these latter countries, sector budget support will be used to the extent possible reinforcing policy dialogue on reforms, public finance management and promoting a balanced macroeconomic framework.

In terms of regional programmes for Central Asia, the emphasis will be on sustainable development (energy, environment/water and socioeconomic development) and security for development. Erasmus+ will be the focus for modernisation and internationalisation efforts in higher education, through mobility and cooperation projects.

2.4.3. Pacific

Introduction

In July 2014, the Pacific Islands Forum, the region's key political body held its annual summit in Palau. High Representative Ashton represented the EU. The talks focused on enhancing development cooperation, fighting climate change, enhancing dialogue on global security and foreign policy issues. In September 2014 Commissioner Piebalgs attended the UN Third Conference on Small Island Developing States (SIDS) in Samoa where 21 SIDS states signed the National Indicative Programmes 2014-2020 (EUR 340 million) under the Cotonou Agreement.

Commissioner Piebalgs and New Zealand's Foreign Minister jointly visited energy projects in Samoa, Tuvalu, Kiribati and Cook Islands to enhance the coordination of development aid on renewable and energy efficiency investments.

In the trade area, following Papua New Guinea's withdrawal from the regional Economic Partnership Agreement negotiations, the Pacific-EU Senior Officials meeting did not take place in 2014. Discussions continue at a technical level.

Fiji returned to democracy on 17 September holding successful parliamentary elections: the first since the 2006 military coup. The EU provided technical assistance to the electoral process and fielded an Election Expert Mission to assess the elections. The EU also sent a mission to assess the situation related to the Cotonou article 96 requirements. Based on the findings of these missions, the EU agreed to discontinue measures restricting development cooperation with Fiji and resume it in full. Meanwhile the EU has continued to support the rural population affected by the reforms in the sugar sector.

Aid effectiveness and donor coordination

The EU supports the 2009 Cairns Compact which seeks to enhance aid effectiveness in the Pacific by encouraging development partners - states and regional organisations - to lead donor coordination. As of 2011, delegated cooperation and transfer agreements had become possible with Australia, allowing the EU and Australia to use one another's experience and implement programmes on each other's behalf.

After the success of the New Zealand-EU Pacific Energy Summit in Auckland in April 2013 coordination of development assistance between the European Union and New Zealand advanced contributing to fast track renewable and energy efficiency investments in the Pacific. In April 2014, Commissioner Piebalgs and the New Zealand Foreign Minister visited several Pacific island states, confirming the joint interest to coordinate support to the region in promoting sustainable energy. The EU's close cooperation with the Asian Development Bank, the World Bank, the European Investment Bank and Japan continued.

Working towards the MDGs

2014 progress to achieve the MDGs remains encouraging for Cook Islands and Niue which are on track to achieve all the MDGs, while Palau, Fiji and Tonga are on track to achieve at least four or more of the MDGs. Samoa and Tuvalu are on track to achieve three of the MDGs, with the Republic of Marshall Islands, Nauru and Vanuatu on track to achieve two of the MDGs. Progress remains less encouraging for the Federated States of Micronesia which is likely to achieve only one of the MDGs⁶⁹.

Hunger and under-nutrition are relatively rare in the Pacific region, but Timor Leste is an exception with relatively high levels of malnutrition. The EU seeks to improve this situation via a nutrition programme implemented in partnership with UNICEF. The Pacific delay on MDG 1 mainly refers to poverty in terms of people lacking access to basic services and opportunities to participate in socioeconomic life and meet basic needs. While tracking poverty in the Pacific is problematic because of poor statistics, Cook Islands, Fiji, Niue, Palau, Marshall Islands and Tuvalu are now High Middle Income Countries⁷⁰, with New Caledonia and French Polynesia being classified as high income. In the region all countries belong to at least the lower middle income category⁷¹ and also Kiribati was proposed for graduation.

Progress has been made towards achieving universal primary education (MDG 2), where only Kiribati and PNG are off track. Similarly, for MDG 3, progress in empowering women is off track only for PNG and Solomon Islands, but with mixed results for most other countries. However, problems regarding domestic violence remain in many Pacific countries. PNG is currently the only Pacific country off track as to reducing child mortality (MDG 4) and many are also on track to achieve maternal health goals.

With the exception of PNG, Kiribati and the Marshall Islands, most Pacific island countries are likely to achieve the MDG targets on HIV/AIDS, malaria and other diseases by 2015 (MDG 6).

Concerning environmental sustainability (MDG 7) measuring progress on this goal faces statistical constraints, but energy security remains a key challenge in the region as most countries are highly dependent on imported fossil fuels. Access to safe supplies of drinking water and basic sanitation remains a concern in many Pacific states, particularly in remote islands and communities. Overall global warming and climate change pose significant threats to most Pacific island nations that remain highly vulnerable to rising sea levels. Moreover, many Pacific states also showed dramatic demographic changes with depopulation of some areas and growing squatter/informal settlements in other areas. Progression toward environmental sustainability is slow in Papua New Guinea, the Solomon Islands, Vanuatu, Kiribati and Nauru, but for instance Kiribati vastly expanded the marine protected areas in 2014. In Timor Leste a programme of the Global Climate Change Alliance of EUR four million started in 2014 in partnership with the EU member state aid organisations GIZ (Germany) and CICL (Portugal).

Implementation & results:

⁶⁹ Pacific Islands Forum Secretariat, 2013, 'Pacific Regional MDGs Tracking Report'

⁷⁰ <http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Data/Regional/oceania.htm>

⁷¹ Worldbank, 2014

Programming priorities for the 11th EDF (2014-2020) began in 2013 with a dialogue between the Pacific EU delegations and the Pacific island states. Initial proposals were discussed and jointly reviewed by Commission and European External Action Service (EEAS) services in 2013 and were elaborated as the new Commission and Parliament took office in 2014.

2014 was marked by the elaboration of National Indicative Plans (NIPs) under the 11th EDF for the 15 Pacific countries, their Regional Programme, the four Overseas Countries and Territories (OCT) and the regional OCT programme. In total EUR 751 million were allocated, compared to EUR 673 million for the 10th EDF: an increase of 12 %. EU-Pacific relations and the programming exercise for the 11th EDF are guided by the 2012 Joint Communication 'Towards a Renewed EU-Pacific Development Partnership'⁷².

In order to enhance impact and facilitate donor coordination, the EU has agreed with the majority of partner countries to concentrate on a single focal sector in addition to continuing our support to civil society. For six countries the selected focal sector is Sustainable Energy and for five Water and Sanitation. Kiribati is a special case where the NIP focuses on the socioeconomic development of the remote and previously uninhabited Christmas Island (Kiritimati). The following partner countries have more than one focal area with rural development being one of them: Papua New Guinea (3), Solomon Islands (2), Timor Leste (2) and Fiji (2).

In 2014 the last of the 10th EDF programmes were approved and signed, thus fully mobilising the available funds. Based on data from programme monitoring and evaluations, implementation of assistance shows good progress in most countries and for most projects, particularly in countries where budget support is in place in support of sectors such as water and sanitation, energy and public finance management (Samoa, the Solomon Islands, Timor Leste, Tonga, Vanuatu and the Cook Islands). The Global Climate Change Alliance covers the entire region and the EU is now funding climate change and environment programmes in every Pacific region country subject to its development aid.

For the **Cook Islands**, the Commission commenced the implementation of the Sanitation Sector Reform Contract for an amount of EUR 2 550 million.

A military coup in **Fiji** in December 2006 led to the suspension of most of the EU's cooperation (article 96 of the EDF treaty) with the country. Since 2007, assistance is channelled through NGO's or regional organisations. The main source of EU funding to Fiji is therefore Accompanying Measures for Former Sugar Protocol Countries, aimed at providing social mitigation measures to alleviate poverty by promoting farm income and agriculture. Programmes have started to yield results as a significant number of farmers and those who have lost their livelihoods have benefitted from new income earning opportunities through vocational training and access to credit for farmers. In 2014, the EU continued to support the democratisation process through civic education and support to elections and the Parliament. Democratic elections took place in September 2014 opening the door for resuming development cooperation through EDF.

⁷² JOIN (2012) 6 final, 21.3.2012.

In **Kiribati**, two successful EU programmes were signed in 2014, the EUR 3.4 million Kiribati Water and Sanitation programme, phase II and an extension of the Environmentally safe aggregates in Tarawa that brought the funding up to EUR 5.2 million.

Marshall Islands, Micronesia, Nauru, Niue, Tuvalu and Palau received funds to enhance their Technical Cooperation Facilities and support their administrative implementation of programmes and in 2014 the last Financing agreements for these were signed.

In 2013 the EU has continued to provide important assistance to support the implementation of the **Samoan's** water and sanitation sector policy.

In Timor-Leste, the EU approved budget support for EUR four million that will enable scaling up future budget support. Meanwhile a mid-term review of an ongoing 10th EDF rural development programme (EUR 23 million) commented very positively on a labour-based rural road component implemented by ILO, whereas a Health Sector programme (EUR 10 million) performed less satisfactory. Tenders for a District Road project (EUR 20.5 million started in 2013 and will be launched in 2014. Other major ongoing programmes concern Support to democratic governance (EUR 10.5 million) and support to NSAs (EUR 4 million).

In 2013 three projects completing the 10th EDF in favour of **Papua New Guinea** were approved: the EUR 26 million Human Resources Development Programme II, the EUR 6 million Trade Related Assistance II, and the EUR 32.28 million Rural Economic Development II.

2013 also paved the way for a significant support for **Tonga's** Energy Sector Reform.

Case Studies

Cervical cancer is the most common cause of cancer deaths in **Fiji**. The EU-funded Viseisei Sai Health Centre provides free community health services to rural communities in Fiji with a special focus on women's sexual and reproductive health and disease prevention. This is done by mobilising resources and health staff into communities. Until this charitable organisation was established in 2011, many of those residing in these communities had to travel many miles to access public health facilities and many others had never had professional medical check-ups. The Viseisei Sai Health Centre is now collaborating with the Fijian Government and Non-Governmental Organisations to strengthen its community outreach programme.

A shortage of primary school teachers and facilities continue to be a problem in **Papua New Guinea's** education system. Many schools lack qualified teachers, especially in remote communities. The education system also lacks the capacity and resources to address all the issues it is currently facing. The EU has supported Papua New Guinea to develop its human resources for over 20 years. The Human Resources Development Project 1 project (EUR 16.8 million) continues this partnership with the Government of PNG to address some of these problems. Scholarships will be provided to 900 trainee primary school teachers from remote

rural areas of which at least 50 % are female. 220 teachers have already graduated under the scholarship programme and another 700 will be sponsored in 2015.

Two regional fisheries projects already in place since 2012 continued to yield good results and contributed to tracking and surveillance systems for sustainable management of migrating fish such as tuna and in the prevention of illegal fishing. Another project, aimed at strengthening Pacific economic integration through trade, led to trade legislation reviews in **Palau**, the **Federated States of Micronesia** and **Tuvalu**, and to technical support for WTO engagement and trade negotiations.

Monitoring

The year 2014 was a year of transition with respect to the systems used by the Commission to monitor EU funded operations. It was decided to introduce several changes to the systems in use, both for internal monitoring by EU Delegations and the Commission's Headquarter services and to the external support used in the Results Oriented Monitoring (ROM) system. (See also Chapter 4.1 for more details).

Perspectives

The European Commission is increasingly seeking to enhance donor coordination in the Pacific region along with use of country systems. Given the public governance in many Pacific countries, the Commission will continue to emphasise funding via multilateral institutions and regional programmes that have proven effective. 2013 saw the start of implementation of the EU Pacific Investment Facility, which will blend grants and loans and facilitate donor coordination and this tool is developed further, bearing in mind however the need to avoid increasing debt rates. As far as possible budget support will be the preferred implementation modality, with several new countries being considered in the fourth coming years. All programmes will focus on so called SMART objectives and performance indicators.

2.5. Overseas Countries and Territories (OCTs)

Introduction

Twenty five OCTs are closely associated with the European Union, in accordance with part four of the Treaty on the Functioning of the European Union (TFEU). The purpose of this association is *"to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Union as a whole"*.

2014, the first year of implementation of a new legal framework for the OCTs

On 25 November 2013, the Council adopted the new Overseas Association Decision (OAD)⁷³. The OAD is the legal basis that lays down the rules and procedures governing the political, trade and financial relations between the Union and the OCTs. The OAD reflects a paradigm shift from poverty reduction to cooperation on issues of mutual interest and an amount of EUR 364.5 million is foreseen for funding under the 11th European Development Fund for OCTs.

With regard to Greenland (also an OCT), in view of preserving the close and lasting links between the Union and this country and acknowledging the geostrategic position of Greenland in the Arctic Region, a specific Council Decision⁷⁴ on an EU-Greenland Partnership for the period 2014 – 2020 was approved on 14 March 2014 with a financial reference amount of EUR 217.8 million.

For the Commission and for the OCTs, one of the 2014 priorities was to initiate the programming process in view of having an agreement for each OCT on what should be the relevant focal sector of cooperation where the Union would better assist the OCTs in their sustainable development efforts. The agreement on the sector for cooperation is subsequently followed by identification and formulation phases to detail the exact implementing modalities and next steps of the Union's support to the territorial policies of the OCTs.

Policy dialogue and a new format for the OCT-EU Forum

During 2014, the Commission organised and chaired four tripartite and several ad hoc meetings with OCTs and Member States representatives. The Commission organised a Partnership Working Party on Financial Services in January 2014, with the participation of representatives from OCTs, Commission services and Member States to which the OCTs are linked. The event focused on the Commission's proposal for the Fourth Anti-Money Laundering Directive and a new EU Savings Taxation Directive as well as the EU Action Plan to Strengthen the Fight against Tax Fraud and Tax Evasion. The meeting was instrumental in answering OCT questions and reiterating the Commission's position that the transparency, efficiency and sustainability of the financial services sector is of mutual interest to both the European Union and the OCTs.

⁷³COUNCIL DECISION 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision'), Official Journal of the European Union L344 of 19 December 2013.

⁷⁴ COUNCIL DECISION 2014/137/EU of 14 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other, Official Journal of the European Union L76 of 15 March 2014.

According to the provisions of the OAD (article 14), the OCT-EU Forum meets annually to bring together OCT authorities, representatives of the Member States and the Commission. The 13th OCT-EU Forum, initially planned to take place in late 2014, was postponed to February 2015 in order to ensure the presence of the new Commissioner in charge of International Cooperation and Development. Based on the consensus to render the Forum more efficient and interactive, several meetings took place in 2014 between the parties to reshape the format and content of the Forum to obtain a greater interaction and involvement of participants. The 13th edition of the Forum (British Virgin Islands, February 2015) constitutes an attempt to reshape the working of the Forum: the format as well as the duration of the event itself have diminished and more space is now given to discussion and interaction among participants in the form of roundtables on two topics 'Cooperation beyond borders: unlocking the potential of OCTs' and 'Sustainable Use of Natural Resources: political priorities for the thematic component of the regional allocation in the context of the 11th EDF for OCTs'.

Programming Instructions for the 11th EDF for OCTs finalised

The Commission elaborated programming instructions for OCTs in the context of the 11th EDF, following consultation with OCTs and the Member States to which they are linked. The draft instructions were presented at the 12th OCT-EU Forum. Following the Forum, these instructions were finalised and the EU Delegations, Territorial and Regional Authorising Officers were informed of the final content of the document in March 2014.

Regional Financial Allocations for OCTs in the context of the 11th EDF

The 11th EDF Internal Agreement was concluded on 14 May 2013 and established a total of EUR 364.5 million for OCTs, of which EUR 359.5 million will be allocated to finance territorial and regional programmes, and EUR five million will be in the form of an allocation to the European Investment Bank (EIB) to finance interest-rate subsidies and technical assistance.

The OAD foresees EUR 100 million for the regional allocation. Following the views expressed by OCTs and Member States in the context of 12th OCT-EU Forum, the following indicative breakdown was agreed in March 2014:

Table 4. 11th EDF-OCTs - indicative regional allocation (in million EUR)	
Caribbean	40
Pacific Ocean	36
Indian Ocean	4
Thematic	16-18
Support Measures (Technical Assistance)	2-4
Total Regional Allocation	100

Pave the way for further cooperation between OCTs, ACP countries and Outermost regions

Acknowledging the importance of fostering cooperation between OCTs, Outermost regions and members of the African, Caribbean and Pacific (ACP) group of countries, Directorates-general for International Cooperation and Development and Regional and Urban Policies signed a Memorandum of Understanding (MoU) in September 2013 with a view to facilitating the pooling of resources from the European Development Fund (EDF) and the European Regional Development Fund (ERDF). The two Directorates-General commit to the establishment of a mechanism that allows for matching of funding from the EDF and the general budget of the Union to finance cooperation projects between the OCTs, the ACP Countries, the outermost regions as well as other third countries, in particular simplified mechanisms for joint management of such projects. A guidance note was agreed upon in the last quarter of 2014. It contains information concerning the procedures for putting together projects co-financed by EDF and ERDF resources.

11th EDF-OCT Territorial programming

Dutch OCTs: In 2014, the Commission received draft Summary Sheets (proposals on the focal sector for cooperation, timeline and type of Technical Assistance needed) from the six Dutch territories (Aruba, Bonaire, Curacao, Saba, St Eustatius and St. Maarten). The agreement to the proposals was given by the Commission during the first quarter of 2015 and experts have also been deployed to assist the territories in the preparation of the respective Programming Documents.

Turks and Caicos: A draft Summary Sheet was submitted by the EU to Jamaica in late 2014. After additional information provided by the Government of the Territory, an agreement was reached to keep education and vocational training as the relevant sector for EU support under the 11th EDF.

Regarding **Anguilla and Montserrat**, contacts were established with these two United Kingdom territories in view of identifying the focus sector. With respect to Anguilla, negotiations are still ongoing. In the case of Montserrat, the programming exercise has suffered some delays due to the elections that took place in last quarter 2014.

As regards the Pacific OCTs, **French Polynesia, New Caledonia and Pitcairn** have submitted their respective proposals in November 2014. These proposals have been subsequently endorsed and technical assistance will be deployed in the coming months to assist the three territories in elaborating their respective programming documents.

As to **Wallis and Futuna**, the dialogue regarding the programming of the 11th EDF funds has already started but is still at a preliminary stage. During 2015 further progress should be made regarding the focal sector for cooperation under the 11th EDF.

Falkland Islands: Following a request from the Territorial Authorising Officer (TAO), Technical Assistance was made available to the territory to assist the Islands during the programming process. A final agreement as to the focal sector for cooperation is expected during the first semester of 2015.

Saint Helena, Tristan da Cunha and Ascension Island: There is a preliminary agreement about the focal sector for EU support. However, technical assistance will be made available by the Commission to the Government to confirm the relevance of the focal sector and further progress in the preparation of the respective programming document.

Technical Assistance was made available to **Saint Pierre and Miquelon** in order to update the Development Strategy (*'Schéma de développement stratégique'*) of the territory. A Public Expenditure and Financial Accountability (PEFA) study has been undertaken, taking into account that it is expected that budget support will be the implementation modality of the EU support.

The table below provides an overview of the sectors of concentration in principle agreed upon or still under confirmation:

Table 5. Territorial allocation	<i>Allocation (in million) EUR</i>	<i>Proposal of concentration sector</i>	<i>Aid Modality *</i>
Aruba	13.05	Education	Budget Support
Bonaire	3.95	Social development - Youth	Budget Support
Curaçao	16.95	Renewable energy	Budget Support
Falkland Islands	5.90	Connectivity and accessibility	Budget Support
French Polynesia	29.95	Tourism	Budget Support
New Caledonia	29.80	Employment and professional inclusion	Budget Support
Pitcairn	2.40	Tourism	Budget Support
Saba	3.50	Renewable energy	Budget Support
Saint Helena and Dependencies	21.50	Connectivity and Accessibility	Budget Support
Saint-Pierre-et-Miquelon	26.35	Sustainable tourism and maritime service	Budget Support
Sint Eustatius	2.40	Energy	Budget Support
Sint Maarten	7,00	Water and sanitation	Budget Support
Turks and Caicos Islands	14.60	Education and vocational training	Budget support
Total	177.35		

* Budget support to be confirmed following the conclusion of the assessment for each OCT of the four eligibility criteria for budget support.

Regional programming 11th EDF

Pacific OCTs Regional Conference

The European Commission has organised, with the support of French Polynesia, Deputy Regional Authorizing Officer of the 10th EDF – OCT of the Pacific, a regional conference for the Overseas Countries and Territories (OCT) of the Pacific on 25 and 26 November 2014 in Papeete, Tahiti (French Polynesia). Around forty representatives from the four Pacific OCTs and eight ACP countries, four Pacific regional organisations, two European institutions and the French government participated in this event

The objectives of the conference were:

- Take a decision on the cooperation sector within the 11th regional EDF for the OCTs of the Pacific (2014-2020), consistent with the priorities of the 11th regional EDF of the Pacific ACP group member states and refine priorities inside the designated sector;
- Identify the subsequent programming steps for the Pacific OCTs;
- Start discussions with the Pacific ACP group countries to determine convergences of interests between both groups; and
- Try to define a framework to ensure adequate coordination and/or consultation for the implementation of the 11th regional EDF.

The exchanges and proceedings carried out during this conference allowed participants to agree on concrete conclusions. The sector chosen for regional cooperation amongst the Pacific OCTs is 'environment and sustainable management of natural resources'. Within this concentration sector, sub-themes should be identified by finding the point of equilibrium between the most relevant sub-themes and a necessary concentration in order to maximize the impact of the programme. Identified sub-themes include 'Adaptation to, and mitigation of, Climate Change (including disaster risk reduction)' and 'Management, conservation and preservation of biodiversity'.

Caribbean OCTs Regional Conference

A regional conference along the same lines of the Pacific event has been scheduled to take place at the margins of the 13th OCT-EU Forum in British Virgin Islands (last week of February 2015). Representatives from the Outermost Regions, Caribbean ACP countries, regional organisations, the EIB along with local development financing institutions have been invited.

11th EDF Regional programme Indian Ocean

A first draft Summary Sheet was submitted by EU Delegation of Mauritius in December 2014. A service contract was awarded to assist the Southern Antarctic French Territories (SAFT) as Regional authorising officer to prepare the programming document and other associated documents (identification and formulation phases) for the Indian Ocean regional programme.

11th EDF Thematic component of the regional envelope

Following discussions on the sector of concentration for cooperation covering all OCTs, the theme of sustainable use of natural resources was agreed upon among OCTs and endorsed by the Commission services in November 2014. The main political priorities to be covered by this topic will constitute the subject of discussion in the context of a Partnership Working Party due to take place in January 2015, while a

dedicated roundtable is foreseen in the context of the 13th OCT-EU Forum (27 February 2015) in order to further discuss this matter.

A new Technical Cooperation Facility for 2015-2016

A Technical Cooperation Facility (TCF) was approved in 2014 for an amount of EUR three million. This will allow a positive response to requests for technical assistance to prepare programming documents from both territories and from Regional Authorising Officers. The new TCF will also allow response to any requests for studies or expertise on OCTs related issues during 2015-2016.

Greenland – Programming Document 2014-2020 agreed upon and signed

Following three rounds of trilateral consultations, which took place in Brussels and Nuuk during 2013 and 2014, the Programming Document for the Sustainable Development of Greenland was adopted by the Commission in September 2014. Education has been chosen as the main sector for the cooperation and will benefit from an EU financial support of EUR 217.8 million. Besides the continuation of the support for the education sector, particular emphasis will be put on vocational education and training, the post-elementary school system and the pre-school and elementary school system. The signature of the Programming Document took place in Brussels on 28 October 2014.

Approval of a joint declaration on the relations between the EU and Greenland

In 2014, the Commission concluded the discussions with Greenland and Denmark for the signature (by the Commission on behalf of the Union) of a 'joint declaration on relations between EU and Greenland'. The Commission decision was adopted in June 2014 and the Declaration was signed in early 2015. The Council was informed of the Commission's intentions and also duly informed of the final content of the Joint declaration.

The inclusion of Greenland in the Kimberly process

On 20 February 2014 the Council of the European Union agreed on the rules and procedures for the inclusion of Greenland in the Kimberley Process Certification scheme⁷⁵. Both Denmark and Greenland had requested the participation of Greenland in the certification scheme on rough diamonds through its cooperation with the Union. The cooperation is expected to strengthen economic relations between the Union and Greenland in the diamond industry, and in particular it will enable Greenland to export rough diamonds accompanied by an EU Certificate, with a view to promoting the sustainable economic development of Greenland.

Conclusion of payments in the framework of the 10th EDF

In 2014, payments in the framework of the 10th EDF were made regarding Union's support to Anguilla (EUR 11.7 million), Mayotte (EUR 28.9 million), Monserrat (EUR 15.7 million), and New Caledonia (EUR 19.8 million).

⁷⁵ Council Decision No 136/2014/EU of 20/02/2014 and Regulation (EU) No 257/2014 of 26/02/2014

3. CHAPTER 3 - IMPLEMENTATION: THEMATIC OVERVIEW

3.1. The thematic programmes

3.1.1. Investing in people

Health and Education

The Commission continued its strategic support to global initiatives in education and health. The financial support to the Global Partnership of Education (GPE, EUR 20 million) was instrumental in efforts to improve MDG targets on education. EU support focused on 'Education for All' goals: reinforcing access, quality and equity of education for all children and youth. Special attention is given to girls who account for 54 % of the total out-of-school population. The EU supports accelerated progress while addressing inequities particularly in reaching the most disadvantaged children. Attention has also been given to enhancing education opportunities in fragile and conflict affected countries and contexts where half of the world's out-of-school children live.

The Global Alliance on Vaccines and Immunisation (GAVI) received a new commitment of EUR 10 million to make pneumococcal vaccines more available and accessible in least developed ACP countries. An annual contribution (EUR 102 million) was committed for the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) to support efforts to reduce mortality and morbidity rates and mitigate the impact of AIDS, tuberculosis and malaria. European Commission support to these global health initiatives has allowed the EU to play a key role in shaping the global health policy agendas to better align with aid effectiveness principles, more efficient policy setting and use of resources at country level and to enhanced country ownership. The significant funding to these initiatives has contributed to progress on the MDGs at country level, in particular in reducing under-fives mortality due to increased availability of childhood vaccination programmes and prevention of malaria, tuberculosis and HIV.

Several projects were signed, originating from the previous financing cycle and covered by the 'Investing in People' programme, with civil society to increase access to sexual and reproductive health (EUR 28 million) and with public health institutes for improved national policy advice and research (EUR 21 million). Support was also given to the Global Polio Eradication Initiative for additional efforts to control polio eruptions in the horn of Africa (EUR 10 million).

In the cooperation in culture area, a study released in 2014 providing 30 good case studies demonstrated the potential impact of culture and cultural activities as a vector for democracy, human rights and good governance, as well as for contributing to inclusive growth and social development. A scoping study was launched to identify possible scenarios for a new programme on Culture.

Under the programme 'Investing in People' EUR 45 million was awarded to 17 projects in different regions of the world selected from the call for proposals EuropeAid/135-181/C/ACT/Multi 'Empowerment for better livelihoods, including skills

development and vocational education and training, for marginalised and vulnerable persons and people dependent on the informal economy'⁷⁶.

Implementation started on a project for Youth Inclusion, funded under the 'Investing in People' thematic programme, and implemented by the OECD Development Centre for EUR 2.5 million. It aims to contribute to inclusive growth by supporting 10 partner countries situated in the main developing regions to better respond to youth expectations and to reinforce their participation in the national development policies.

Investing in people also supported two thematic projects that contribute to the implementation of the 2012 Communication on Social Protection in EU Development Cooperation⁷⁷. SOCIEUX, is a technical assistance facility which seeks to support the efforts of partner countries to better design and manage their social protection systems. The project, which launched its activities in 2014, deploys mainly experts from EU Member States for short-term interventions aimed at supporting exchange of expertise between peers in any area of social protection. By the end of the year, the project had received 25 requests from partner countries in Africa, Latin America and Asia.

The EU-Social Protection Systems Programme (EU-SPS), co-financed by the Commission, OECD and Finland, was signed in July 2014. It seeks to support 10 low and lower middle income countries in building sustainable and inclusive social protection (SP) systems. It will support country driven analyses, tools development and capacity development for national SP policy and implementation planners, service and care providers, and their national and international partners. It will also generate evidence for ODA programming on SP, as an effective way for the EU and partners to reduce poverty, inequality and vulnerability, and to promote social mobility, cohesion and inclusive growth.

Gender equality

The gender commitments of EU development policy continue. To empower women and protect women and girls' full enjoyment of human rights, the focus has been put on socioeconomic empowerment, access to and control over resources (healthcare services, justice, education, information, etc.), and participation in political and decision making processes specially related to security and fragile situations. In the newly adopted programme, DCI- Global Public Goods and Challenges, more than EUR 100 million will be earmarked in the period 2015-20 to women and children's wellbeing (with a special attention to harmful practices like female genital mutilation/cutting, and child, early and forced marriage). A specific project has been funded in Central Africa Republic to support women victims of violence following the humanitarian crisis. At global level, the EU called strongly for gender equality and women's empowerment and the promotion of human rights and opportunities for all women and girl to be considered as a universal priority in the elaboration of the post-2015 framework and for the integration of a gender perspective into this new framework.

⁷⁶<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&PubliList=15&orderby=upd&orderbyad=Desc&searchtype=RS&aofr=135181>

⁷⁷ COM(2012)446 final, 20.8.2012

Child wellbeing

The EU pursued its efforts for the comprehensive protection and promotion of the rights of the child. The major achievement for 2014 was the release and dissemination of the joint EU-UNICEF child rights toolkit 'Integrating child rights in development cooperation'⁷⁸. It is a practical guide for development actors on how to mainstream child rights across all programmes of bilateral and multilateral development assistance. In many countries, EU Delegations and UNICEF offices have partnered to celebrate the 25th Anniversary of the United Nations Convention on the Rights of the Child on 20 November, and promote the toolkit, with specific success stories in Nicaragua, Kosovo and Tanzania. On top of EU support to projects in key sector areas benefiting children (education, nutrition, health, water and sanitation), specific attention has been paid to infanticide (especially of baby girls). A comprehensive external evaluation of the implementation by the Commission of the 2008 Council Conclusions on the protection and promotion of the Rights of the Child started in January. Its results, expected in 2015, will pave the way for a possible revision of the EU Guidelines.

Spending on human development represents 25 % of the allocated funds of the Global Public Goods and Challenges thematic programme in line with the commitments made to the European Parliament.

Trade Facilitation

To support the timely implementation of the World Trade Organisation (WTO) Trade Facilitation Agreement, which will help developing countries by simplifying, harmonising and modernising international border procedures, Commissioners Andris Piebalgs and Karel De Gucht committed to cover a significant share of the funding needs of developing countries to implement the Agreement during the 9th WTO Ministerial Conference in Bali in November 2013.

The EU will aim to maintain at least its current level of support to trade facilitation over a five-year period; starting from the signature of the Trade Facilitation Agreement. This amounts to **EUR 400 million over five years** or over one-third of developing countries' estimated needs. The support will be provided primarily through regular EU aid channels. This amount also includes a potential contribution of **up to EUR 30 million** to a dedicated international trade facilitation facility for the most urgent actions for aligning legislation and procedures in developing countries to the new agreement. Initially, the Commission will contribute EUR 10 million to the World Bank Trade Facilitation Trust Fund with other donors including the US, Switzerland, UK, and Norway.

In order to meet these commitments made at 9th WTO Ministerial Conference, the EU will sign an Administration Agreement with the World Bank worth EUR 9.6 million.

Horizon 2020, the new Research and Innovation Programme (2014-2020), includes research and innovation topics directly relevant for the themes prioritised in the Annual Report. In particular, Horizon 2020 includes a Societal Challenge on 'Climate Action, Environment, Resource Efficiency and Raw Materials', one on 'Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy' and one on 'Europe in a changing world - Inclusive, innovative

⁷⁸ <http://www.unicef.org/eu/crtoolkit/>

and reflective societies' that addresses migration issues as well as democracy and human rights.

Research and Innovation calls launched in the first Work Programme 2014-2015 of Horizon 2020 included topics on sustainable management of resources, climate change impacts, food security, vaccine development for poverty related and neglected infectious diseases, policy coherence for development, involving countries in the Neighbourhood and/or developing countries.

3.1.2. Non-state actors and local authorities in development

Building on EU political commitments to support civil society organisations (CSO) and local authorities (LA)⁷⁹, the CSO-LA Thematic Programme adopted in July 2014 aims to strengthen these actors in partner countries and, when their actions relate to Development Education and Awareness-Raising (DEAR) of European citizens, in the Union and other beneficiaries eligible under the Instrument for Pre-Accession.

The thematic strategy is valid for 2014-2020 and composed of two phases: 2014-2017 and 2018-2020. The total allocation for the programme covers up to EUR 1.9 billion over the period 2014-2020. An envelope of around EUR 970 million has been earmarked for 2014-2017 to support three priorities: a focus on country level activities enhancing CSO-LA contributions to governance and development processes; reinforcing regional and global CSO networks and associations of LA (ALA); and developing and supporting DEAR initiatives.

Annual Action Programmes (AAP) detail the implementing provisions for each specific budgetary year. The AAP 2014 was approved on 28 October 2014 and is available online⁸⁰.

Activities conceived and implemented by partner countries CSOs and LAs were given priority, in order to empower them, build capacity and facilitate access to funding. These initiatives are managed primarily by EU Delegations and, when appropriate, by European Commission Headquarters.

Civil Society Organisations

In 2014, 56 countries benefitted from a country allocation for a total of EUR 152 million. Country-level initiatives support CSO contributions towards reinforced governance, accountability and inclusive policy-making. CSOs are supported as: actors in governance and accountability; partners in promoting social development; and stakeholders in promoting inclusive and sustainable growth.

When it comes to supporting regional and global networks of CSOs, EUR 24 million was reserved in the 2014 budget to strengthen representative, membership-based and actor-based regional, EU and global non-thematic Civil Society umbrella organisations, in order to maximize the effectiveness of their work as development

⁷⁹ COM(2012) 492 final on Civil Society, SWD(2012) 457 final on DEAR, COM(2013) final on Local Authorities

⁸⁰http://ec.europa.eu/europeaid/commission-decision-aap-2014-2015-civil-society-organisations-and-local-authorities-part-1_en

actors in their own right and contributors to policy-making on development-related topics at global and regional levels.

Local Authorities

In 2014, 29 countries benefitted from a country allocation for a total of EUR 14.5 million. Country-level initiatives support LA and national ALA valuing their contributions towards reinforced local governance, accountability of sub-national governments and inclusive policy-making at the local level, in accordance with the principle of subsidiarity.

In addition, the Programme focused on the empowerment of ALA at regional (including the EU) and global levels to strengthen their structure and capacities, in order to reach a legitimate and effective coordination role, to provide their members with adequate services as well as to effectively represent the needs of local communities in institutional dialogues. Five ALA benefitted from the Programme for a total amount of EUR 17.5 million.

Development Education and Awareness-Raising (DEAR)

Twenty two new DEAR projects were contracted in 2014 for a total of EUR 67 million. These large-scale projects were selected through a call for proposals and are implemented by CSO and LA throughout the EU. All will contribute to the European Year for Development 2015 (EYD2015) and endeavour to involve citizens in addressing issues of global development and interdependencies between developing countries and Europe.

The Greek and Italian national platforms of non-governmental organisations were also supported in 2014 through the 'Presidency projects' scheme. Both received a grant allowing them to capitalize on the momentum created by their country's presidency of the Council of the EU to raise the profile of development issues on their territories.

3.1.3. Migration and asylum

In 2014 migration remained firmly on the top of the political agenda of the EU. In this context, the Commission continued its efforts to maximise the development impact of migration as one of its primary objectives.

In December 2014 EU development ministers adopted Council conclusions on 'Migration in EU Development Cooperation'⁸¹ acknowledging that more should be done to address migration from a development angle. A broad set of priorities are formulated for follow up by the Commission which is asked to provide further policy guidance by end of 2015. This will, among others, be reflected in the new European Agenda for Migration, foreseen to be adopted in 2015.

The European Commission has continuously advocated for the inclusion of migration in the post-2015 development framework, and efforts continued in 2014 to ensure the importance of well-managed migration as a development driver is adequately

⁸¹ 16854/14, 12.12.2014

reflected in the post-2015 agenda. The Commission Communication 'A Decent Life for all: from vision to collective action' of June 2014⁸², includes strong references to migration under a number of headings. The Commission will continue to actively promote the translation of these proposals into the final text during 2015.

During 2014 the Commission has been strongly advocating for strengthened attention for refugee and Internally Displaced Persons (IDP) issues from development actors, in close coordination with humanitarian assistance. In this context, the Commission has initiated a process for further reflection on strengthening a developmental approach to IDP and refugee displacement. In line with the EU Council conclusions on 'Migration in EU Development' (December 2014), the ultimate objective is "to define a specific strategy to step up commitments in this area." Work on this will continue in 2015.

Linked to above, a EUR 26 million Regional Development and Protection Programme related to the refugee crisis in and around Syria started its implementation in 2014. In line with the development approach towards forced displacement, the action focuses on capacity building and assistance for both refugees and host communities in Lebanon, Jordan and Iraq to address the challenge of the significant influx of refugees from Syria.

The Commission recognises the importance of capacity building initiatives to support our partner countries in dealing with the challenges and opportunities of migration, including in fighting against migrant smuggling and trafficking in human beings. In line with this, a EUR 11 million action was launched in 2014 with the aim of preventing and addressing trafficking in human beings and the smuggling of migrants by implementing comprehensive national counter-trafficking and smuggling responses while strengthening the partner countries' capacities to efficiently address these issues.

A new area of intervention concerns migrants who are caught up in crisis situations. A new EUR five million Action on 'Migrants in Countries in Crisis' was launched in 2014, feeding into a global government-led initiative on the same topic that was launched following the 2013 UN High-level Dialogue on International Migration and Development. The overarching aim of this initiative is to improve the ability of governments and other relevant stakeholders to prepare for and respond to crises, alleviate suffering, and protect the dignity and rights of migrants in countries in situations of acute crisis.

In 2014, the FP7 funded SSH research project (Temper) was launched to examine transnational migration and the transformative characteristics of temporary mobility of people with a geographical focus on China, Finland, Germany, Hungary, India, the Netherlands, the Philippines, Thailand, Turkey and Ukraine⁸³. The EU contribution to this project amounts to approximately EUR 2.5 million.

⁸² COM(2014)335, 2.06.2014

⁸³ <http://www.temperproject.eu/>

3.1.4. Environment, climate change and sustainable management of natural resources

In 2014, the EU launched the EU Biodiversity for Life (B4Life) flagship initiative designed to help the poorest countries protect ecosystems, combat wildlife crime and develop green economies. B4Life will be financed from the Global Public Goods and Challenges thematic programme as well as from regional and national development cooperation envelopes with an estimated budget of up to EUR 800 million for 2014-2020. Biodiversity and development are closely linked and mutually reinforcing: healthy ecosystems sustain development while development impacts on habitats. Seeing ecosystem conservation and restoration as an opportunity to generate growth, create jobs and reduce poverty through a green economy contributes to the EU's development agenda.

Also in 2014, the Commission launched the new phase of the Global Climate Change Alliance (GCCA). The GCCA+ aims to boost efficiency and effectiveness of its response to the needs of vulnerable countries and groups. Its main focus is to strengthen dialogue and cooperation with developing countries, particularly least developed countries and small island developing states.

GCCA Reverdir Mopti project

"Very quickly, I saw the benefits. In the past, I would cut down and burn trees in order to clear parcels of land to grow millet," said Ousmane Guindo, an agricultural worker in the village of Sokoura in Mali's central Mopti region. "But I saw that this didn't help at all as now there was nothing to stop the wind. My crops got buried in sand and yields were very poor.

"So I started using the Assisted Natural Regeneration technique. I left tree stumps intact and started to nurture the new shoots that grew up around them. Very quickly, I saw the benefits: the leaves that fall from the trees decompose and act as fertiliser for my crops; selective pruning ensures a regular supply of wood fuel for cooking; my millet yields are better as the trees prevent the wind burying the seedlings; and the trees provide welcome shade for our rest breaks when working in the fields."

Guindo's efforts are supported by the Reverdir Mopti project, which aims to improve tree cover and reverse soil degradation and creeping desertification in this arid region just south of the Sahara.

Worsening soil degradation in recent decades – a result of population growth, inappropriate farming methods, and increasingly arid weather patterns linked to climate change - has undermined Mali's capacity to produce food.

In response, the Malian government has prioritised reforestation as a means to combat both the degradation of natural resources and poverty.

The Reverdir Mopti project supported by the GCCA is implemented by Sahel Eco, an NGO that for the past 10 years has worked with rural communities in the region to apply agroforestry, in particular by using Assisted Natural Regeneration (ANR). The results, 15 months after this project started, speak for themselves: 141 000 trees have been planted and 435 000 trees protected thanks to good management and the application of ANR; 30 people have been trained in water and soil conservation techniques; and 16 agreements have been signed with local communities regarding

the management of tree resources in order to promote the active involvement of local farmers, collectives and village leaders.

The Forest Law Enforcement, Governance and Trade (FLEG) Voluntary Partnership Agreements (VPAs) were implemented in six countries in 2014 and negotiations on agreements continued in nine countries. Towards end the year, a major evaluation of ten years of the FLEG programme began and the Commission looks forward to the results in order to build the future in this key area.

The European Commission also renewed its Programme Cooperation Agreement with the United Nations Environment Programme (UNEP), aiming at strengthening international environmental governance for sustainable development, through targeted support to UN-led global and regional processes in the areas of ecosystem management, chemicals and waste, resource efficiency, and the more effective implementation of multilateral environmental agreements.

At the end of the year, the European Commission adopted the Annual Action Programme 2014 which details EUR 163 million worth of projects tackling environmental and climate challenges and promoting the transition towards a green economy and better governance issues.

Also on the protection of forests, through the CEOFAC project (Strengthening of the Observatory for the Forests of Central Africa), the Commission is providing decision-makers of the Congo Basin with reliable information on monitoring indicators (forest cover change, forest management practices, biodiversity conservation and management), climate change issues (adaptation, REDD+ progress and challenges), forested areas other than dense humid forests (dry forests, agroforestry, forest plantations) and land use issues (trends in allocation, multiple land use practices) as input for international negotiations on climate and eco-systems. 'The State of the Forests, 2013' was produced by the Observatory with 108 authors and 69 contributors.

Water

In line with the Agenda for Change, the programming 2014-2020 and the Rio+20 Conference, the water sector has shifted focus taking into account the economic aspects of water. During 2014 actions were identified to support the Nexus process (Water, Energy, and Food), the NEPAD (Centres of Excellence) and the cooperative management of trans-boundary waters in Africa (contribution to the CIWA Trust Fund).

A project in Latin America (Páramo: biodiversity and water resources in the Northern Andes) was launched. Water Sector continued its support to EU development issues via two regional seminars (Astana and Fiji).

The EU Water Initiative has held its annual multi-stakeholder forum during World Water Week in Stockholm, with a focus on nexus opportunities in the different regional components (Africa, Eastern Europe, Caucasus & Central Asia, and Mediterranean).

3.1.5. Food and Nutrition Security and Sustainable Agriculture

For the 2014-20 period, the EU's support for the improvement of food and nutrition security will be financed by several types of instrument notably the European Development Fund, the Development Cooperation Instrument and the European

Neighbourhood Instrument at national and regional level and by the thematic programme Global Public Goods and challenges under the area Food and nutrition security and sustainable agriculture and fisheries to fight hunger and under-nutrition (GPGC-FSSA) at the global and multi-country level.

With an overall budget for 2014 of EUR 197 million, the GPGC-FSSA aims to improve food security for the poorest and most vulnerable, to help eradicate poverty and hunger for current and future generations, and to better address under-nutrition thereby reducing child mortality. As food security is a global challenge, the GPGC programme focus on activities and approaches that provide strong multiplier effects to the agricultural, livestock and fisheries sector, to the food and nutrition security situation of households, to the rural economy and food systems, and the resilience of the most vulnerable households to shocks and stresses. The GPGC-FSSA area is focused on three components

First, generating and exchanging knowledge and fostering innovation, and applying new knowledge to the challenges of food and nutrition security mainly at international and continental levels. In 2014 the focus is placed in particular on reinforcing the dissemination to and application of research results by smallholder farmers, communities and families in view of increasing their food security and livelihood. For example, the action 'Putting Research into Use for Nutrition, Sustainability And Resilience' aims to develop and test innovative approaches that impact positively on the livelihoods, nutrition or resilience of pilot rural communities and smallholder farmers and to generate lessons for scaling up and it will provide support to selected research programmes of the Consultative Group on International Agricultural Research (CGIAR).

The action 'Capacity Development for Agricultural Innovation Systems' is ensuring that agricultural innovation systems are efficient and sustainable in meeting demands of smallholder farmers, agri-business and consumers. It is establishing a sustainable global partnership on capacity development in agricultural innovation systems with needs assessed and approaches validated in eight pilot countries in Asia, Latin America and Africa.

Secondly, strengthening and promoting governance and capacity at the global, continental, regional and national level for all relevant stakeholders. This component supports international initiatives addressing food and nutrition security and improves the effectiveness of dialogue on food and nutrition security issues. In 2014 the focus is on increasing governments' ability to design and implement effective policies for food security. This is done by making available evidence based scientific advice and technical assistance services, by disseminating and reinforcing information systems, and by working along the agricultural value chains. For example, the International Commission for the Conservation of Atlantic Tunas (ICCAT) is providing evidence based scientific advice to developing coastal states to ensure sustainable management of tropical tuna resources in the Atlantic Ocean and in turn contributing to their food security and economic growth.

The action 'Information for Nutrition, Food Security, Resilience Decision Making' (INFORMED) aims at strengthening widely used food and nutrition security assessment tools and at creating a reliable resilience measurement index. These tools will assist governments and technical and financial partners to take appropriate and timely decisions.

The goal of the action 'ASEAN Farmers' Organisations' Support Programme' (AFOSP) is to improve the livelihoods and food security of smallholder farmers and rural producers in ASEAN countries through strengthened capacity of farmers and their organisations to influence national government and ASEAN policies impacting on the livelihoods of poor producers, and to provide effective services to members.

Thirdly to support the poor and food and nutrition insecure to react to crises and strengthen resilience. This component allows for support to food insecure countries without bilateral programmes under geographical instruments, and countries which suffer from the consequences of major unforeseen crises and/or shocks, including natural and man-made disasters, epidemics and major economic shocks. The 'Pro-Resilience Action' (PRO-ACT) 2014 covers interventions in nine countries and aims at building resilience of vulnerable communities by better targeting the root causes of food insecurity while ensuring complementarity between instruments for high-impact aid. The Action is being implemented using a variety of modalities and with partners such as civil society organisations, local authorities, International Organisations, partner countries and EU Member States.

In the year of the 10-year anniversary of the Comprehensive Africa Agriculture Development Programme (CAADP), the JRC and the African Union Commission co-organised the conference 'Information for Meeting Africa's Agricultural Transformation and Food Security Goals' from 1-3 October 2014. The conference gathered more than 180 participants and addressed issues of information for early identification of risks and severity of emergencies, better trade and agricultural planning and improved food security and sustainable agriculture.

Together with the Food and Agriculture Organization of the United Nations (FAO), the JRC released an e-learning course entitled 'Remotely sensed information for crop monitoring and food security' to allow food security analysts worldwide to better understand and use satellite data in their daily food security work. Along the same lines, an improved version of the African Postharvest Losses Information System (APHLIS) was issued to allow for the estimation of post-harvest losses in data-scarce environments.

The Joint Research Centre contributed to the damage assessment for Syria led by Directorate-General for Development and Cooperation — EuropeAid, by highlighting the impact of the conflict on the production of summer crops using high-resolution satellite data. At the global level, the JRC has been a main contributor to crop production assessments under the Global Agricultural Monitoring (GEOGLAM) and Agricultural Market Information System (AMIS) G20 initiatives.

The IPC⁸⁴ Chronic Food Insecurity Classification, launched in July 2014, is a unique tool for measuring the extent, severity and underlying factors of persistent food insecurity. The classification was finalised after a series of pilots carried out in 2012 and 2013 in Nepal, Zimbabwe, Malawi, Lesotho, the Philippines, Honduras, Kenya, Bangladesh, Guatemala and Southern Africa. The process was led by the IPC Chronic Working Group, with the active contribution of the JRC. The classification will be key to informing medium- and long-term food security programming.

⁸⁴ The Integrated food security Phase Classification (IPC) is a multi-donor (including Directorate-General for Development and Cooperation — EuropeAid and ECHO), multi-agency (incl. JRC) initiative that develops a set of standardised tools to provide a "common currency" for classifying the severity and magnitude of food insecurity.

3.1.6. Sustainable Energy

Around the world some 1.4 billion people have no access to electricity and almost three billion people rely on solid fuels, such as traditional biomass and coal, for cooking and heating. Energy is linked to eradicating poverty, access to clean water, economic growth, health, education, women's empowerment and food security. Thus sustainable energy is a key enabler for sustainable growth as demonstrated in EU's commitments through Agenda for Change and its contribution to the objectives of the UN Secretary General's Sustainable Energy for All initiative (SE4ALL). Commission ex-President Barroso proposed the target of enabling access to sustainable energy for 500 million people by 2030.

Long-term partnerships with developing countries are based on mutual accountability and political dialogue at regional, national and local level to help them develop efficient, sustainable energy reform programmes.

In September 2014 in the margins of the UN Climate Summit in New York the EU signed five Joint Declarations with African countries on enhanced energy cooperation aimed at reinforcing the political ties between partner countries' political commitments in the field of energy and the supporting actions financed by the EU and relevant donors.

The EU uses its funding instruments to help developing countries to access modern, affordable and reliable energy services to meet the basic needs of daily life, accelerate economic growth and improve the livelihoods of their people. This funding is provided through appropriate financing modalities (thematic and geographic) and mechanisms (blending facilities) to address the different objectives.

Global and regional political dialogues initiated by the EU are part of this comprehensive strategy for bringing access to modern energy services to the poor. These include the Africa-EU Energy Partnership and the European Union Energy Initiative established in 2002 as a joint undertaking by the EU Member States and the European Commission that during 2014 continued to deliver important support towards sustainable energy solutions.

The EU's Technical Assistance Facility of EUR 47 million assisted developing countries in refining policies and reforms that allow for greater investment in energy.

In addition over 25 countries have chosen energy as a focal sector for their bilateral cooperation with the EU within the next multi annual framework (2014-2020).

In 2014, in addition to the EUR 153 million of EU support for electrification projects in poor rural areas via the Energy Facility that benefitted more than three million people directly, funds were allocated for the coordination, dissemination and tracking of the SE4ALL global effort over a three-year period.

EUR 75 million was allocated to catalyse private sector investments in energy access, under the existing EU blending framework. Moreover, a proposal for a new rural Electrification Financing Initiative (ElectriFI) was put forward to reinforce further the feasibility, sustainability and the leverage of the EU resources allocated to energy cooperation and in particular to rural electrification.

The Global Energy Efficiency and Renewable Energy Fund (GEEREF) provides co-funding opportunities for commercial and public investors that helps other funds leverage investments. The EU-EDFI's (European Development Finance Institutions) Private Sector Development Facilities works with private project developers and private financiers in energy related projects.

The Africa-EU Renewable Energy Cooperation Programme aims to stimulate sustainable economic and social development in Africa through clearly defined targets to increase the use of the continent's vast renewable energy sources has a budget of EUR 6.6 million that was renewed in 2014.

Considering the credits earmarked for energy cooperation in the context of the multiannual financial framework 2014-2020 and the leverage to be achieved, in particular through innovative Commission initiatives such as ElectriFI and under the EU blending framework, it is expected that more than EUR 3.3 billion will be made available to support sustainable energy projects all over the world. Around EUR two billion will be dedicated to African countries.

In 2014 as a follow up of the 2009-13 AFRETEP project⁸⁵ JRC has consolidated reports on supporting sustainable energy planning in Africa.

The supporting reports **ranged from electrification planning tools in Sub-Saharan Africa⁸⁶ through Energy Action Plans in South Mediterranean Cities⁸⁷ to JRC-IRENA-AREA joint webinar⁸⁸ (with 280 experts) on PV planning and testing.**

The online AFRETEP platform created and expanded by the JRC with its 800+ African and global members is now being migrated to the capacity4dev website increasing the energy expertise community of the EuropeAid website.

3.1.7. Partnership Instrument

The Partnership Instrument (PI)⁸⁹ is one of the key innovations in Heading 4 of the Multiannual Financial Framework 2014-2020 package of instruments for financing external action. The new instrument reflects both the changes we have seen in the world in recent times and the changes we have made in the way we respond to the world challenges.

The PI will help underpin relations with partners with whom the EU has a strategic interest in promoting links, especially, but not exclusively, EU's strategic partners which play an increasingly important role in world affairs (Canada, Japan, the United States and the Republic of Korea) including those that are no longer eligible for bilateral development aid (Brazil, China, India and Mexico). The instrument will be deployed mainly in the Asia-Pacific, the Americas, the Gulf as well as Russia and Central Asia.

⁸⁵ <http://iet.jrc.ec.europa.eu/remea/tags/afretep>

⁸⁶ JRC89480 Lessons learnt from the AFRETEP for the African PV sector development; JRC89662 RE²nAF: exploring scenarios for off grid electricity production options in Africa; JRC88355 Mapping the cost of electricity from grid-connected and off-grid PV systems in Africa; JRC89692 Installing Solar Systems On The Face Of Existing African Dams For Additional Energy Production; and JRC93927 Supporting Rural Electrification Plans In Sub-Saharan Africa: Mapping The Least-Cost Option For Off-Grid Communities

⁸⁷ JRC93697 Guidebook How to develop a Sustainable Energy Action Plan (SEAP) in South Mediterranean Cities

⁸⁸ JRC93908 AREA-JRC-IRENA Webinar: Planning and testing for solar photovoltaic installation in Africa

⁸⁹ Regulation (EU) No 234/2014 of the European Parliament and of the Council of 11 March 2014

The PI encompasses a number of areas of key interest to the Union. It will support the external dimension of EU internal policies ranging from competitiveness and migration to research and innovation, the external projection of the Europe 2020 Strategy, and it will address major global challenges such as energy security, climate change and environmental protection as well as specific aspects of the EU's economic diplomacy. The instrument also covers public diplomacy (including cultural diplomacy) and outreach activities to promote the Union's values and interests.

With the PI, the EU will, for the first time, have an instrument specifically designed to promote its strategic interests worldwide. The EU, through the external projection of its policies, has unprecedented opportunities to offer its know-how, expertise and best practices in ways that underpin its policy agenda and overall relations with key partner countries in support of the EU priorities.

Following the strategic dialogue that was held on the 10 March 2014 and the adoption of the (PI) **2014-2017 Multi-annual Indicative Programme** (MIP) on 3 July 2014⁹⁰, the Commission adopted the **2014 Annual Action Programme (AAP)** on 16 October 2014⁹¹ (subsequently amended twice after the cut-off date of this report on 10 March 2015 and on 18 June 2015).

The AAP 2014 includes 21 actions⁹² (24 if account is taken of the above mentioned amendments) with a budget of EUR **107 million** (note that an amendment to the 2014 AAP is under discussion to include one additional programme 'Support to EU-China aviation cooperation'). The actions adopted with the AAP 2014 are wide ranging and tackle various important issues at the core of the Partnership Instrument from climate change to public procurement, from migration to market access, from underpinning policy dialogues to enhancing clean and sustainable energy.

⁹⁰ C(2014) 4453 final

⁹¹ C(2014) 7423 final

⁹² This figure includes specific projects under the Public Diplomacy action fiche

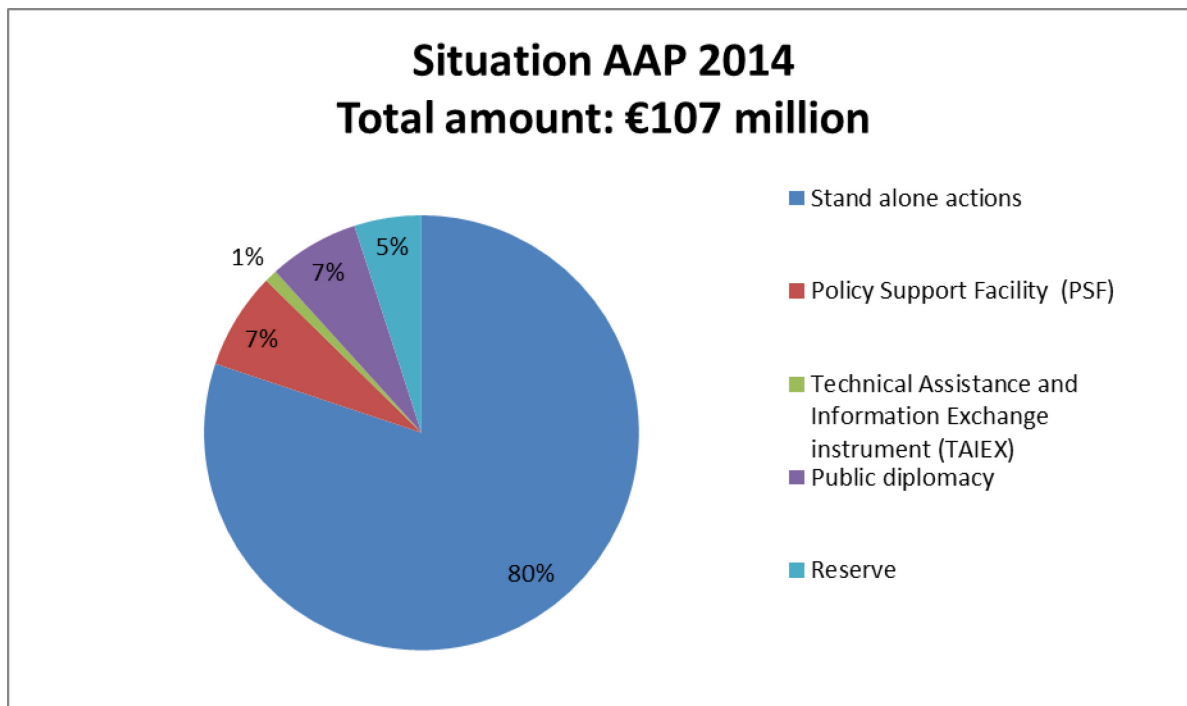


Figure 1. Situation AAP 2014

Addressing challenges of global concern such as climate change, energy security and the protection of the environment is at the core of objective 1 of the PI Regulation⁹³. Therefore, the AAP 2014 includes a number of programmes to support the **development of low carbon markets and the shift towards a green economy** by sharing expertise and good practice and by promoting the implementation of state of the art climate policy tools with partner such as Brazil, Mexico and South Korea. It also contains programmes aimed at strengthening dialogue and cooperation with large energy consuming countries such as India and to stimulate cooperation on energy efficiency with the countries of the Gulf Cooperation Council (GCC).

The implementation of the **international dimension of the 'Europe 2020'** and of the EU's internal policies is addressed through the objective 2 of the Regulation. In this regard, the AAP 2014 focuses on **migration** with an action to deepen the recently established High Level Dialogue on Migration mobility (HLD) with China, a strategic partner but also a country which has significant migratory flows to and from Europe. The action will address issues related to skilled migrants, foreign businessmen coming to China as well as Chinese talent going abroad.

The PI Regulation also foresees support for economic and trade relations with key partner countries, thus contributing to create a secure climate for **increased trading and investment opportunities for companies from the EU**, not the least SMEs. Underpinned in objective 3 of the Regulation, the PI aims to promote opportunities in areas where the Union has a competitive advantage, such as environmental, low carbon and clean tech industries. Actions in the AAP 2014 will contribute to stimulating greener and sustainable growth in South Korea and the South East Asia (SEA) region, with high growth potential. By concentrating on sectors such as

⁹³ Objectives of the Partnership Instrument are detailed in the Annex to the Partnership Instrument

renewables energy and clean technologies the proposed actions can contribute to the **internationalisation of European businesses** and to enhancing access to emerging markets.

Furthermore, **a comprehensive approach to public diplomacy** that encompasses four pillars: working with academia, engaging in policy research and debate with think tank, engaging with civil society actors on issues of common concern and using culture as a vector for public diplomacy is in line with objective 4 of the Regulation. The AAP 2014, includes, for example, support to the **EU-US Transatlantic Civil Society Dialogue** against the background of the Transatlantic Trade and Investment Partnership negotiations and to the **EU-Russia Civil Society Forum**, supported by the European Parliament, to facilitate people-to-people links and enhance inter-cultural understanding among civil society actors on both sides.

Based on a Preparatory Action of the European Parliament, the PI 2014 AAP also includes an **initiative to promote broader transatlantic cooperation, including the African and South American rims of the Atlantic basin**. This initiative aims at deepening cooperation between think-tanks, researchers and influential decision makers from all the countries of the Atlantic Basin on cross-regional issues, thus fostering the idea of a wider Atlantic community.

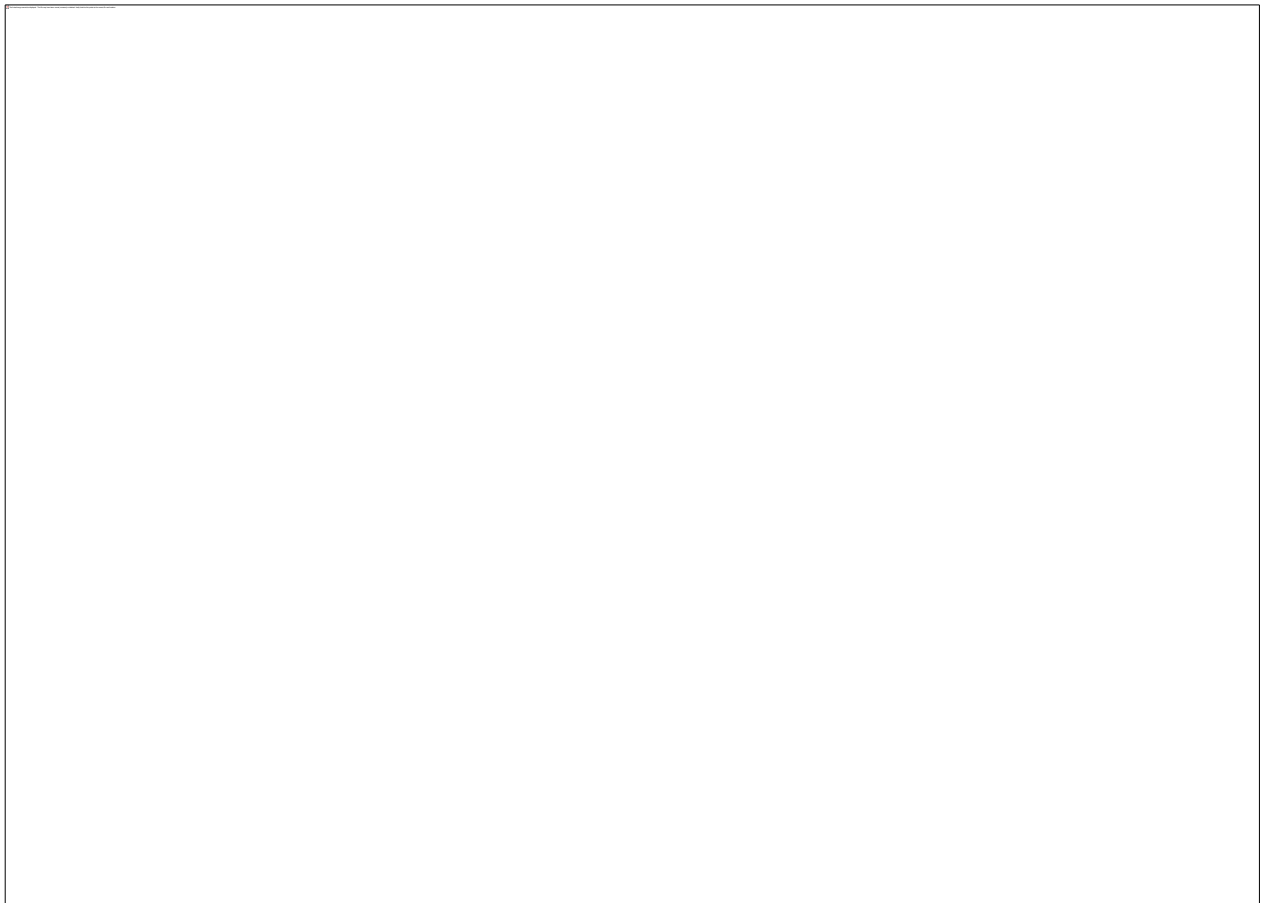


Figure 2. Situation per objective – AAP 2014

In addition to the EUR 107 million envelope, the PI has contributed just over EUR 8.2 million to the '**Erasmus +**' Programme to support cooperation in higher education enhancing student and staff mobility with partner countries covered by the former Instrument for Cooperation with Industrialised countries⁹⁴ as well as Russia.

Republic of Korea: facilitating the Implementation of an Emissions Trading System

Europe has gained wide expertise in the development of carbon markets with the EU emissions trading system (EU ETS), the largest multi-national, emissions trading system in the world and a major pillar of EU climate policy. The EU is in a unique position to support the development of carbon markets in other countries around the world through sharing expertise and good practice.

The overall aim of this action is to promote the implementation of state of the art climate policy tools by South Korea. Actions of this type may be pursued with other strategic partner countries in the future.

Brazil and Mexico: fostering the development of low carbon industries

The EU has a strategic interest in stimulating plausible efforts from middle income countries to adequately tackle the global challenge of climate change. Assisting these countries in a shift towards a low carbon, green economy will be crucial to stay within the internationally agreed 2°C objective. At the same time, the EU has a leading role in low carbon technologies. The overall aim of these programmes is to support the exchange and uptake of low carbon technology through industrial cooperation between companies in Brazil and Mexico. The action offers the opportunity to combine these two strong policy objectives within one action

Assessing public procurement

Addressing key aspects of the EU Trade policy is an important objective of the PI. In particular fostering market openness and evidence based trade policy is vital with regard to issues such as transparency and public procurement.

Public Procurement is gaining importance on the trade negotiation agenda, both under the aegis of the WTO and at the bilateral level. In addition, public procurement markets in third countries offer significant potential for European companies. However, often the size of these markets is not fully known due to the lack of reliable data. Finding ways to increase data availability about key markets will enable the EU to assess the status-quo and potential gains and to ensure better access to these markets.

The purpose of the action is to provide the analytical tools to assess in the context of trade negotiations on procurement: the size of procurement markets; the positive

⁹⁴ USA, Japan, Canada, the Republic of Korea, Australia and New Zealand; certain Asian industrialised countries and territories (Singapore, Hong Kong, Macao, Taiwan and Brunei) as well as the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates).

effects of improved market access; the degree of contestability of a procurement market for European companies. The methodology will be tested in three pilot countries in both the Americas and Asia/ Pacific.

Further to the programmes outlined above, the EU committed EUR 7.7 million to support the implementation of Partnership and Cooperation Agreements, action plans and similar bilateral instruments and underpin policy dialogues through the **'Policy Support Facility'** that has been designed to promote the implementation of the external dimension of the Union's internal policies to respond in a timely fashion to the dynamic and fast-changing global environment in our relations with the partner countries. The Policy Support Facility also includes a trade strand to tackle needs arising during the preparation and negotiation phase of trade and investment agreements as well as to support and ensure the proper implementation, monitoring, enforcement and take-up of such agreements once signed and entered into force. Complementary to this facility, the PI has also contributed in 2014 funds to provide through the **Technical Assistance and Information Exchange instrument (TAIEX)** EU expertise and best-practices to the EU strategic partners and other countries.

3.2. Democracy and human rights

The European Instrument for Democracy and Human Rights (EIDHR) is the European Union's main financing instrument for the promotion of democracy and human rights in its external relations. It represents the clear expression of the EU's promotion and support for democracy and human rights in all of its external policies. It is the world largest pro-democracy and Human Rights donor programme.

European Instrument for Democracy and Human Rights (EIDHR)

Complementing all other EU instruments that also mainstream Human Rights and Democracy in their activities, the EIDHR is designed to help civil society to become an effective force for political reform and defence of human rights worldwide.

The review of the EIDHR in 2014 enshrined in its new legal basis for 2014-2020, and its new multiannual strategy for 2014-2017, further reinforced the key strength of the instrument, which is the ability to operate without the need for host government consent. The EIDHR is able to focus on sensitive issues and innovative approaches and to cooperate directly with local, scattered or disenfranchised Civil Society Organisations (CSOs) which need to preserve independence from public authorities.

Endowed with greater flexibility and an increased capacity to respond to changing circumstances, the EIDHR is a specialised part of the EU response to crisis and contributes to EU initiatives in 2014 in countries such as Ukraine, Central African Republic, or Syria and Iraq. In 2014, more than 500 new key initiatives were launched with the EIDHR support endowed with a budget of more than EUR 150 million covering more than 135 countries. This adds to the more than 1 500 ongoing EIDHR projects deployed in the field.

In particular, in 2014, the Commission has launched 15 new key initiatives supporting human rights and their defenders in the most urgent and difficult situations worth EUR 15 million. These new additional actions add to the ongoing 130 specific projects defending Human Rights and their Defenders worth EUR 100 million.

Moreover, the EIDHR small grant scheme was activated on more than 75 cases allowing support for hundreds of Human Rights Defenders at risk.

In addition, a global call 'Fighting Discrimination' led to 28 new key initiatives dedicated to fight discriminations in the four areas of the rights of indigenous peoples, the rights of Lesbian/Gay/Bisexual/Transgender and Intersex persons, the rights of persons belonging to religious minorities and the freedom of belief, and the rights of girl children – in total worth EUR 20 million. Moreover, local calls for proposals were implemented by EU Delegations in 101 countries worth EUR 82.3 million. They allowed reinforcing the role of grassroots civil society on the ground in promoting human rights and democratic reforms, in facilitating the peaceful reconciliation of group interests and in consolidating political participation and representation all over the world.

The EIDHR has also supported key actors and processes in 2014, in particular the Civil Society input to more than 20 EU Human Rights Dialogues with third partners, the UN Office of the High Commissioner for Human Rights (OHCHR), the International Criminal Court (ICC), Human Rights Bodies of the African Union and initiating a comprehensive global programme to support National Human Rights Institutes.

Finally, the EIDHR supported education on Human Rights through a global network of universities, regrouping of the European Inter-University Centre (EIUC) including the European Master's Degree in Human Rights and Democratisation (E.MA), and five other regional Masters in Human Rights and Democratisation in Africa, Asia/Pacific, Balkans, Caucasus and Latin America.

But EU support to Human Rights and Democracy goes beyond the EIDHR and several key initiatives focussed in 2014 in extending their mainstreaming and support within other parts of EU assistance.

Strengthening Human Rights within external assistance

In 2012 the EU adopted an ambitious programme – the Strategic Framework on Human Rights and Democracy – which set out how we intended to honour our constitutional obligation, spelled out in Article 21 of the Treaty of the European Union (TEU), to advance in the wider world democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.

The third essential element of the Human Rights package adopted in 2012 was the Action Plan. Without this, the commitments made in the Strategic Framework would have remained only declaratory.

The EU Action Plan on Human Rights and Democracy adopted for 2012 come to an end in 2014. The Commission delivered on each of the 97 actions falling under its responsibility covering a broad range of human rights and democracy issues with clear objectives within well-defined timeframes. It allowed a solid qualitative jump in the implementation of Universal Human Rights Standards and the EU Charter on Fundamental Rights within external actions. It launched a comprehensive set of new dynamics and steps forward.

Indeed, in 2014, the EU finalised its set of bilateral programmes with partner countries for 2014-2017 where human rights, democracy and other key elements of good governance have been introduced as key focal sectors in various areas of cooperation. In particular, the EU continued strengthening its assessment of fundamental values and governance related risk prior to its budget support operations.

Moreover, the EU committed in 2014 to move towards a rights-based approach for its development policy on the basis of the Commission Staff Working Document designing a toolbox for this purpose ('A right based approach, encompassing all human rights for EU development cooperation') endorsed by the Council Conclusions of May 2014. This provided political impetus and concrete guidance on how to integrate a rights-based approach into any development programme or project along five working principles: applying all rights, participation and access to the decision making process, non-discrimination and equal access, transparency and access to information.

The implementation of a rights-based approach into all EU development programmes and projects has started. It will strengthen the positive and pro-active impact of development activities to promote and protect Human Rights as a key element of inclusive and stable development. It also represents a major EU input to the post-MDGs debate and a concrete step forward to further improve delivery and results.

Supporting Democracy worldwide

In 2014, the EU continued to support democracy all around the globe, from the EU's neighbourhood to Sub-Saharan Africa, Asia and Latin America. Making full use of all of its geographic and thematic instruments, the Commission committed more than EUR 93 million in around 190 projects in 2014. The projects cover support to elections, strengthening of parliaments and political parties as well as media development. Interventions serve different purposes, ranging from responses to crisis situations and to engagement in long-term capacity building.

Covering EUR 35 million, support to elections represents the biggest part of the EU's democracy support. It includes democratic support to fragile countries such as Somalia, mitigation actions for electoral violence in Africa and support to accompany civil society organisation activities in countries undergoing democratic transition.

Case study - Specific focus on Freedom of Expression

Building on the 'No Disconnect' Strategy, 2014 saw a boost to the policy framework with the adoption of the EU Human Rights Guidelines on Freedom of Expression Online and Offline. These guidelines reiterate the basic principles of, and set out priorities, for EU engagement in this domain. The European Commission has launched the EU Cyber security strategy, the Internet Governance Communication and the Business and Human Rights Guidelines for the ICT sector, contributing to the fight for a free and open internet.

In this context, the annual EU-NGO Forum (December 2014) was fully dedicated to finding ways forward to the protection and promotion of freedom of expression.

Moreover, especially in the EU's southern neighbourhood, there has been a specific focus on the support to media to enhance freedom of expression as a vector of democratic development. As an example, programmes for the inclusive development

of the media landscape and of the legal framework of the media were launched in Tunisia and Algeria with a total budget of EUR 17.3 million.

Election observation

The overall objectives of EU Election Observation Missions (EOMs) in 2014 have remained the building of confidence, the enhancement of the reliability and transparency of democratic electoral processes, and the discouragement of irregularities, abuse and electoral violence. The legal basis for election observation is the Regulation on the European Instrument for Democracy and Human Rights (EIDHR). With an annual budget of around EUR 40 million election observation activities absorb up to 25 % of EIDHR's overall total budget of EUR 1.2 billion for the period 2014-20). The EU continued to support electoral processes around the globe by deploying Election Observation Missions (EOMs) and Election Assessment Teams (EATs) in challenging security environments. These two types of missions are led by a Chief Observer, who is a Member of the European Parliament, and are composed of a core team of experts as well as Long and Short Term Observers. These missions produce a public statement as well as a public report that includes recommendations to improve future electoral processes. The EU also deploys Electoral Expert Missions (EEMs) that are usually composed of two or three experts that make a technical assessment which is usually not made public. Finally, Election Follow-up Missions (EfMs) assess the implementation of previous EU EOM recommendations.

In 2014, seven fully-fledged EU Election Observation Missions were deployed to Egypt, Guinea Bissau, Kosovo, Malawi, the Maldives, Mozambique and Tunisia. An Election Assessment Team mission was deployed to Afghanistan. Nine Election Expert Missions were deployed to Algeria, Bolivia, El Salvador, the Fijis, Iraq, Libya, Mauritania, Nigeria and Thailand. Two Election Follow-up Missions were deployed in Nigeria and the Democratic Republic of the Congo (DRC).

Election observation continued to operate under often quite volatile political developments in the selected countries and subsequent tight implementation deadlines. This has been the case for the two missions to Kosovo under unstable political and security conditions, in Egypt, where operational delays posed a challenge to the credibility of the observation, and in Afghanistan where the security situation was extremely challenging. Yet, the highly visible annual programme of election observation was successfully implemented and continuous efforts were made to increase the cost-effectiveness of EOMs.

Finally, a total of 101 trainees from 27 EU Member States participated in the courses provided by the training programme Election Observation and Democracy Support (EODS). EODS deepened its cooperation with the African Union (AU) in 2014, helping develop a curriculum and tools for Long Term Observer (LTO) training and a core team methodology. EODS helped the AU train 57 LTOs, and 26 Election/Legal analysts for either French or English speaking missions.

3.3. Stability

3.3.1. Crisis response and preparedness

Addressing the challenges of fragile and conflict-affected countries

Building peaceful societies and eradicating poverty in fragile and conflict-affected countries is a top priority for the European Union as outlined in the Agenda for Change and other policy documents.

In 2014, the EU continued supporting the New Deal process through the design of joint operational guidance for conflict sensitivity aiming to ensure that EU interventions have a positive impact on poverty reduction and conflict prevention.

As regards country level New Deal implementation, the EU has taken the role as lead international partner in Somalia. In September 2013, the first New Deal Compact was endorsed in Brussels, as a joint engagement of the Federal Government of Somalia and of the donor community on a set of priorities aligned with the five Peace-building and State-building Goals, accompanied by a mechanism for aid architecture and a mutual accountability framework. The Government 2014 work-plan has internalised the New Deal Compact in their daily work by aligning to the 'Compact' priorities and cooperation framework.

Policy dialogue on fragility and conflict has been strengthened with key international and strategic bilateral partners, as the EU has continued to play an active and role in the International Network on Conflict and Fragility and in the International Dialogue on Peace-building and State-building.

In Ebola affected countries, the EU has engaged with the Ebola Recovery Assessment contributing to shared analysis which takes stock of the underlying causes of fragility that need to be address in order to build back more effective institutions and resilient societies. Special attention to fragile contexts was further demonstrated through the design of State-building Contracts for a number of fragile countries including Guinea, Sierra Leone, and Liberia which will provide support in particular to health services, maintain macroeconomic stability and create fiscal space for measures related to the epidemic. The EU has continued to use flexible procedures in crisis situations.

Advancing the EU's comprehensive approach to external conflicts and crises

Following the May 2014 Council conclusions on the EU's comprehensive approach, the European Commission services and the European External Action Service have worked in close cooperation with EU Member States to present an action plan, before end of first quarter of 2015 setting out priorities for the current year.

In May 2014, the first Political Framework for Crisis Approach was completed for Ukraine, and in October 2014, for Libya and CAR, demonstrating progress on shared analysis. In 2014, the global rollout of the Conflict Early Warning System, jointly operated by European External Action Service (EEAS) and Directorate-General for Development and Cooperation — EuropeAid, and the conflict analysis workshops carried out jointly in 10 partner countries (Sudan, Nigeria, Colombia, Iraq, Libya, Chad, Ukraine, Liberia, Somalia, CAR) pooling together the analytical resources from EU services, Member States and in a number of cases from partner organisations, also contributed to this progress.

Joint programming with Member States has advanced in almost 40 countries, reinforcing the implementation of the comprehensive approach. The transition of the

two Common Security and Defence Policy (CSDP) missions to the Democratic Republic of Congo (DRC) has been successfully conducted through the setting-up of a dedicated inter-service task force. The extension of the EU Operation Centre for the Horn of Africa with the secondment of a liaison officer to EuropeAid HQ was also instrumental in advancing the comprehensive approach in this region.

The deployment of EUFOR RCA in Central African Republic and the establishment of the First EU trust fund, the Bêkou Trust Fund, to pool resources and analytical capabilities for the identification and implementation of projects is an example of the EU's collective capacity to respond to challenging transitions.

Resilience: tackling the root causes of the crises

Building resilient societies in countries that face recurrent crises is high on the agenda for EU external assistance⁹⁵. This policy and operational package emphasises the joint humanitarian and development work and priorities in a comprehensive, coherent and effective approach, in order to achieve better results on the ground, reduce future humanitarian needs and preserve development gains.

In April 2014, the first EU Resilience Forum was held, confirming Member States and International partners' commitment to set resilience as a central aim of their engagement in fragile and crisis-prone contexts.

Resilience has been integrated into 11th EDF and DCI programming as well as into Humanitarian Implementation Plans focussing on the most vulnerable, addressing fragility, natural hazards and the increasing impact of climate change, often in the context of rapid population growth and increased vulnerability.

Collaborative strategic assessments to determine resilience objectives have been carried out in a number of risk prone countries (Nepal, Bangladesh, Mali and CAR) or are under way (Haiti, Yemen) with ECHO, EuropeAid, Member States and other contributors. Synergies between joint programming exercises and Resilience approaches are being developed.

From a broader policy perspective a key priority is to ensure coherence throughout the post-2015 debates – notably the post-2015 Millennium Development Goals, Sustainable Development and post-Hyogo framework.

Addressing the challenges in fragile and conflict-affected countries

Addressing the challenges of fragile and conflict-affected countries is a top priority for the European Union as outlined in the Agenda for Change and other policy initiatives. In December 2013, the Joint Communication from the High Representative and the European Commission on the EU's comprehensive approach to external conflict and crises presented proposals on how to strengthen the coherence, comprehensiveness and effectiveness of EU external action, with a particular focus on conflict and crisis situations. In October 2013 two internal joint guidance notes on 'Addressing conflict prevention, peace-building and security issues under external cooperation

⁹⁵ The EU's approach to resilience is set in the Joint Communication of October 2012 'The EU Approach to Resilience: Learning from Food Security Crises', the related Council Conclusions (April 2013) while its operationalization designed through the Commission's Resilience Action Plan (June 2013).

instruments', and 'Conflict Analysis in support of EU external action' were also issued and are contributing to a more conflict sensitive programming approach.

Special attention to fragile contexts was further demonstrated by the adoption of the new budget support guidelines, which offer the possibility to use State-building Contracts in transition countries, the possibility of using flexible procedures in crisis situations, the attention to fragility and crisis affected countries across the various policy documents issued, and training more than 180 people on engagement in fragile and crisis situations during 2013.

Since 2011 November, and the Launch of the 'New Deal for Engagement in Fragile States'⁹⁶, substantial progress has been made in implementing the New Deal provisions at country level and through reforms. Policy dialogue on fragility and conflict has been strengthened with key international and strategic bilateral partners, as the EU is playing an active and role in the International Network on Conflict and Fragility and in the International Dialogue on Peace-building and State-building.

As regards country level implementation, the EU has taken the lead international partner role in Somalia, in the Central African Republic (together with France) and has also offered its help to Timor Leste in support of Australia.

In September 2013, the first New Deal Compact was endorsed in Brussels as a joint engagement of the Federal Government of Somalia and of the donor community on a set of priorities aligned with the five Peace-building and State-building Goals, accompanied by a mechanism for aid architecture and a mutual accountability framework. In Central African Republic the EU is supporting the stabilisation process and is preparing to co-sponsor the New Deal implementation once the situation allows. In Timor Leste EU interventions have strong state-building elements. The EU is also a strong supporter of the New Deal in countries where others have taken up the role of lead donor, such as in Liberia, Sierra Leone and, eventually, South Sudan. For more details please refer to the relevant countries in Chapter two.

The New Deal and its approach, which can also be used as a framework in non-G7+ countries and adapted to the local context, will continue to stay high on the agenda. In the ongoing programming exercise the EU is striving to ensure consistent and congruent links between the focal sectors of EU support and Peace- and State-building goals in the eighteen G7+ countries and beyond as well as aligning with the overall principles of the New Deal framework.

The work to take forward the principles and priorities of the EU's comprehensive approach will further strengthen the security-development nexus and contribute to state-building and peace-building.

Stability and peace

The Instrument contributing to Stability and Peace (ICSP) is a key external relations instrument, placed under the authority of the High Representative/Vice President, primarily enabling the EU to react quickly with targeted actions in situations of existing or emerging crises. Under this instrument, the Commission's Service for Foreign Policy Instruments (FPI) committed a total of EUR 185 458 387; divided into

⁹⁶ <http://www.newdeal4peace.org/>

EUR 166 404 033 under the short-term crisis response component (Article 3) and EUR 19 million under the Peace-building Partnership (PbP) (Article 4).

Article 4 is an ICSP component assisting with longer-term crisis preparedness based on a 2014-2020 Strategy Paper and the 2014-2017 Multi-Annual Indicative Programme⁹⁷. In addition, actions under article 5 of the ICSP regulation, looking at countering Global Threats, are programmed and implemented by DEVCO B5 and are described in a separate section of this report.

During 2014 the crisis response part of the ICSP programme has primarily allowed the EU to provide urgent support in a timely manner in relation to high-priority crises on top of the EU's political agenda (like Ukraine, Syria/Iraq, Central African Republic and the Ebola outbreak in West Africa). It has also enabled timely interventions in connection with disasters (for example support to address the problems related to displaced mines in connection with the Bosnia floods in May) as well as allowed to seize opportunities when addressing protracted crises (Central Asia Water Mediation, Guatemala-Belize conflict, DRC).

When defining and mobilising ICSP crisis response actions (of 18 months maximum duration), the Commission's Service for Foreign Policy Instruments (FPI) works in very close collaboration with the European External Action Service (EEAS)⁹⁸, DG DEVCO, DG ECHO, DG NEAR and other relevant EU services. In addition to the crisis response measure's objectives related to the immediate stabilisation of volatile crisis countries and regions, many of these projects also pave the way for follow-on longer-term EU programmes under other EU Instruments. Thus, many of the measures adopted under this instrument are part of an overarching EU comprehensive approach to conflict and crisis response based on commonly developed strategic frameworks and designed following joint missions where all concerned services take part.

Under the **short-term crisis response** component, **30 actions** were launched in 2014. The following are examples of these timely EU responses to crises on the EU's political agenda:

- **Central African Republic (CAR):** The still ongoing crisis in CAR has resulted in tens of thousands of deaths, widespread violations of human rights, complete disruption of governance, a breakdown of the social fabric and large scale displacements of people. Following the Brazzaville agreement for the cessation of hostilities at the end of July 2014, the transition authorities formed a new government facing tremendous challenges. The EU mobilisation of support to coherently address these challenges has demanded that the ICSP operates within a truly comprehensive approach.

After ethnic/religious based violence led to a seriously deteriorating situation in CAR in late 2013/early 2014, an EU Military mission was deployed, patrolling the streets in trouble spots, mainly in Bangui. Establishing such a mission entailed a

⁹⁷ Commission Implementing Decision C(2014) 5607 of 11.8.2014, adopting the Thematic Strategy Paper 2014-2020 and accompanying Multiannual indicative Programme 2014-2017 of the Instrument contributing to Stability and Peace.

⁹⁸ Pursuant to Council Decision of 26 July 2010 establishing the organisation and functioning of the European External Action Service (2010/427/EU), OJ L201

review of how available EU instruments, mainly EDF and ICSP, could support/pave the way for the Mission's efforts to contribute to a safe and secure environment. An ICSP programme was designed to provide employment opportunities through restoring community infrastructure in the neighbourhoods patrolled by the EUFOR mission and an ongoing ICSP action, providing support towards establishing new national police entities in trouble spots was expanded. In addition, the ICSP supported a joint EU/UN conflict analysis and the embryo of a national political dialogue, involving all constituencies in the CAR society. Later in 2014, the first ever EU-trust fund for crisis response was set up to pool resources and better coordinate all actions undertaken. (New ICSP actions in 2014 totals EUR 20.6 million).

- **Ukraine:** Strong anti-government protests followed the decision to suspend preparations for an Association Agreement with the EU in November 2013. The tensions heightened in the ensuing months, escalating towards the violent events in Kiev in February 2014 in which more than 100 people were killed in a few days. After a change in leadership in March 2014, the European Commission announced a substantial EU support package of short and medium term measures to stabilise the country's economy, assist with the political transition and encourage reforms.

In line with the European Council Conclusions on Ukraine and the Foreign Affairs Council conclusions on Ukraine, the ICSP was initially mobilised towards increasing public confidence in the preparation and organisation of the May 2014 Presidential elections coupled with a support to the OSCE Special Monitoring Mission (SMM) in Ukraine.

Later in the year, following the escalation of clashes between armed groups and government forces, the Instrument also provided assistance towards the needs resulting from significant population displacements. This support includes a wide spectra of activities from capacity building enabling the Ukrainian authorities to implement a national IDP (Internally Displaced Persons) registration system to self-employment grants and income-generating provisions linked to small-scale community development projects (such as schooling and health facilities) all implemented in a balanced way seeking to alleviate tensions between IDPs and host populations (new ICSP actions in 2014 totalled EUR 16.5 million).

- **Syria:** After almost four years of fighting, a large proportion of Syria is devastated and the situation has developed into the largest humanitarian crisis in recent history, displacing half of the Syrian population, thus seriously affecting the neighbouring countries. While all overarching political processes seem to be in a complete stalemate with no immediate prospects for negotiated solutions, there are ongoing local initiatives to reduce the level of violence and broker agreements on that level between armed parties.

During recent years, the ICSP programme has mounted a number of support projects in relation to the Syria conflict. In 2014, new ICSP support projects amounted to EUR 21.6 million directly targeting Syria plus an additional set of actions (EUR 17 million) assisting Turkey to handle the considerable influx of refugees. The activities include strengthening of local cooperation leading to improvement in basic services delivery as well as efforts to support the involvement of Syrian local actors (including parties to the armed conflict, civil

society, political and religious actors, as well as international stakeholders) in a dialogue on the reduction of violence and perspectives for a peaceful settlement of the conflict.

The expanding role of Dae'sh adds a new dimension to the conflict. In cooperation with other EU member states, an ICSP support measure was agreed to strengthen the resilience of communities inside Syria and other countries in the region (in particular countries of origin of foreign fighters) to counter the appeal of extremist groups and reinforce social cohesion. Activities under this project also include the design and dissemination of communication campaigns and interactive mass media programmes as well as direct assistance to Syrian civil society groups engaged in countering violent extremism.

Reflecting the October 2014 Foreign Affairs Council's conclusions on the Dae'sh crisis in Syria and Iraq⁹⁹, another ICSP component supports efforts towards preparing a future transitional justice process in Syria, through continued assistance to investigations into potential war crimes committed by parties to the conflict.

These measures run concurrent to ongoing support both inside Syria and in neighbouring countries. In Turkey, Iraq, Jordan and Lebanon, these include support to authorities in their reception and hosting of the ever-growing number of Syrian refugees. Direct assistance is provided to refugees, for example through improvement of living conditions and the governance structures of the camps as well as psycho-social support. In Lebanon, there has also been significant support provided to the local healthcare sector, which is under tremendous strain. Within Syria, the conditions for providing non-humanitarian support are clearly more challenging. Nevertheless, the Instrument was still able to provide direct assistance in the form of primary healthcare, increased food security and basic education.

- **West Africa:** The initial response to the Ebola epidemic from the authorities of the three most affected countries (Liberia, Sierra Leone and Guinea) included severe restrictions on movement, closing of borders as well as curfews and lockdowns. In several cases, these measures led to clashes and hostility, including against health workers, security forces and government officials. Since these restrictions on movement often were needed to contain the epidemic, it was important to try and ease the tensions. Activities funded by the ICSP include: identification of communities and villages with a high potential for increased tensions linked to public health restrictions and restrictions on movement imposed in the Ebola context (in particular in border areas); capacity-building on peaceful ways to prevent and resolve tensions arising in the border areas; training and mentoring of civilian border security forces; reinforcement of Ebola surveillance in border areas and support to cross-border dialogue at official and local community levels.

⁹⁹ "The EU welcomes efforts by actors working on the ground to ensure that human rights abuses and violations are being documented and evidence preserved."

As part of the EU's comprehensive approach to the Ebola outbreak, the immediate ICSP support was also provided towards preparedness efforts in neighbouring countries which due to proximity faced a heightened Ebola risk.

Following the recognition of Ebola as a threat to peace and stability in UN Security Council Resolution 2177, a tri-partite Needs Assessment (UN-WB-EU), supported by the ICSP, was launched in late 2014 in the three most affected countries in order to identify actions (short-term and longer-term) addressing shortcomings in the countries' health systems but also countering the impact of the Ebola crisis on society as a whole.

In addition to the crisis response actions, the EU committed in 2014 EUR 19 million of ICSP funds for activities supporting **conflict prevention, peace building and crisis preparedness** within the framework of the so-called Peace-building Partnership. Focus was put on actions in the areas of civil society capacity building; gender and transitional justice, building local and international mediation capacity and strengthening the role of civil society within the Kimberley Process (Conflict Diamonds). As partners, the EU worked with a wide range of stakeholders in these projects, such as the United Nations (UN) and civil society actors, developing local infrastructures for peace. The main achievements in 2014 were:

- A new phase of the Civil Society Dialogue Network (CSDN), a forum for dialogue on peace-building issues between the EU and civil society actors, was launched in 2014. A total of 16 dialogue meetings were organised in order to enhance civil society input to the EU's policy making processes in relation to crisis prevention activities.
- The final phase of the 'EU-UN Partnership on land, natural resources and conflict prevention' (NRC) was completed in December 2014. Based on the methodologies developed during the earlier phases, this project helped to strengthen the capacity of local civil society in the African Great Lakes Region (Burundi, Rwanda, Uganda and DRC) to better understand conflict dynamics and employ conflict-sensitive development solutions to contentious issues, such as competition/conflict around access to land and natural resources.
- The first phase of the European Union's Police Services Training Programme (EUPST) to build capacity of police officers from the EU and non-EU countries contributing to CSDP missions, as well as African Union countries taking part in international crisis management missions was successfully completed in November 2014. Over a three year period, EUPST has built the capacity of over 2 400 police officers from 68 countries to jointly perform civilian policing functions in international crisis management missions of the EU, UN and AU.
- ERMES, the European Resources for Mediation Support facility, was launched in January 2014. This facility enables the EU to support global peace mediation efforts by third parties. For example, ERMES was in 2014 mobilised in: a) South Sudan (to help with the formation of a national dialogue and reconciliation process in South Sudan, in support of the talks in Addis Ababa and in view of a potential peace agreement), b) CAR, upon request of CAR President Samba-Panza, for the organisation of a

workshop gathering representatives from all CAR constituencies to exchange views on the country's crisis; c) the Philippines, to organise an inter-faith conference on the peace and reconciliation in Mindanao; d) Ukraine, to support the authorities' efforts to develop a nation-wide, inclusive dialogue process on decentralisation.

- The ICSP support to tri-partite (UN and World Bank) Post-Disaster and Post-Conflict Needs Assessments (PDNA-PCNA) enabled the EU to take an active part in the following assessments: participation by senior experts in the PDNA missions in Bosnia-Herzegovina and Serbia, following the floods of May 2014, enabled the EU to take the lead in the assessment and deliver a complete and politically endorsed Recovery Plan to the EU-organised Brussels Donors Conference in July 2014. ICSP support, mobilising several senior experts, also allowed the EU to take on a central and active role in two Conflict-related assessment missions initiated in 2014 (Ukraine and Gaza). The final results, including recovery plans, from both these assessments are awaited in the first months of 2015.

3.3.2. Global and regional trans-border challenges

The primary aim of European Union thematic assistance under the Instrument contributing to Stability and Peace ICSP (article 5), is to address terrorism, organised crime, illicit trafficking, threats to critical infrastructure, climate change, pandemics and chemical, biological, radiological and nuclear risks.

A total of EUR 82.2 million was committed in 2014 including allocations for the Fight against organised crime (EUR 24.2 million), Countering terrorism (EUR 28.0 million), Protection of critical infrastructure (EUR 2.0 million), Chemical Biological Radiological Nuclear (CBRN) risk mitigation (EUR 25.0 million), and Expert Support Facility (EUR 3.0 million).

Projects in 2014 focused on new needs in the countries belonging to the EU neighbourhood, such as Syria (destruction, of chemical weapon precursors), Ukraine and Moldova (border control reinforcement), and the Middle East (increase capacity of first responders), as well as in other priority regions like Horn of Africa, North, Central and Eastern Africa, or the Middle East, Central Asia and South East Asia.

Activities are being implemented through projects contracted and managed centrally, with only a limited number of actions being out-sourced due to their regional and trans-regional nature.

As regards article 5.1 of the ICSP (Fight against organised crime; Countering Terrorism; Protection of critical infrastructure, Security threats emanating from Climate Change), the ICSP contributes to the founded EU principles: democracy and respect for human rights, fundamental freedoms and rule of law.

The mid-term review of the Counter Terrorism (CT) Sahel project showed that this project played an instrumental role in substantiating the aspirations and operationalising the objectives of the EU Strategy for the Sahel and the EU Counter-Terrorism Strategy. The EU as a whole has grown in credibility as a security actor in the Sahel region thanks to this project. Four new actions were developed in 2014 focusing on combatting terrorist radicalisation, supporting CT (in particular the rule of

law), aviation security, and CT monitoring: 'Strengthening Resilience to Violence and Extremism' (STRIVE) Global; 'Counter-Terrorism Law Enforcement in the Horn of Africa' (CT LE HoA), 'Civil Aviation Security (CASE)'; and 'Counter-Terrorism Monitoring, Reporting and Support Mechanism (CT MORSE)'.

New actions on countering the financing of terrorism in the Horn of Africa and Yemen, countering violent extremism in Pakistan, and countering falsified medicines were also launched in 2014.

Support was also provided to the Malta-based Institute of Justice and the Rule of Law.

Finally, as an important element of the EU Counter-Terrorism Strategy, a number of actions under the PREVENT strand were prepared, including in the Horn of Africa and Pakistan, as well as a global training activity on Countering Violent Extremism for EU staff in Delegations and EU embassies.

In the area of organised crime, work continued in ten countries on the Heroin Route (including Iran, Pakistan and Afghanistan), as well as a project to fight against human trafficking.

Under the Cocaine Route Programme, joint airport interdiction task forces are now operational in several countries to support the fight against organised crime on the cocaine route. A project to set up a regional police information system is ongoing in West Africa with Interpol and there was a commitment to prevent the diversion of drug precursors in Latin America.

Maritime security is a priority under ICSP. The aim is to strengthen capacities to fight piracy and armed robbery. In 2014, a new project started to improve maritime security and safety with the focus to combating piracy and armed robbery at sea in selected Indian Ocean region coastal countries.

As regards the CBRN risk mitigation activities under article 5.2, the EU CBRN regional centres of excellence initiative (CoE) reached a significant degree of maturation and consolidation in 2014, as stated by the Court of auditors in its special report n°17 (Dec 2014) and acknowledged by the 48 partner countries. In 2014, one new secretariat was opened in Abu Dhabi (Gulf Cooperation Countries). The secretariats facilitate information sharing, assess CBRN needs and implement as well as monitor projects in the regions. As of December 2014, there are 45 projects ongoing in 48 partner countries. Regional coordination and information-sharing functions are supported to foster regional and trans-regional cooperation, primarily by making use of existing structures whenever possible. An important specific action on strengthening existing capabilities against biological threats was launched in the African countries affected by Ebola where three mobile laboratories were deployed and training provided.

New major regional projects were launched based on a bottom up approach with partner countries: Management of Chemical risk in CBRN facilities in the African Atlantic façade; Chemical safety and security in the Central and Eastern African region; Reinforcement of a Mobile Laboratory for in situ interventions on VHF outbreak sites in combination with CBRN Capacity Building in Western Africa (EUWAM-Lab) in West Africa; Strengthening CBRN first response capabilities and regional cooperation and Enhancing regional CBRN detection capacity for the Border Guards in South East Europe, Southern Caucasus, Moldova; CBRN Bio security and

safety in Pakistan; and an EU outreach programme for dual use items in South East Europe, Central Asia and Middle East.

Actions to contain dual use knowledge have continued through dedicated support to the Science and Technology Centre (STCU) and the International Science and Technology Centre (ISTC). The restructuring of these two International Institutes continued in 2014: the structures were streamlined and administrative budget successfully reduced. Significant progress was made towards the signature of the Agreement continuing the ISTC. The headquarters of ISTC will be moved from Moscow to Astana in 2015. STCU's activities will continue in 2015. More than 1 000 former weapons scientists were part of the programme in 2014.

In late 2013 and early 2014, an important landmark decision made available EUR 12 million for the destruction of chemical stockpiles in Syria. By doing so, the European Commission contributed to the implementation of UNSCR 2118 and to the unprecedented and historical joint international effort to remove chemical weapons.

The ICSP is a key EU instrument in providing uniquely swift and targeted response to unstable countries and regions in their efforts to overcome obstacles to the consolidation of peace and stability. Given the current instability and increasing number of natural disasters, ICSP will continue working towards the efficient and effective deployment of the available EU instruments. The strategic approach taken in the programming of long-term ICSP actions has yielded results as stronger links with key actors in various regions and stronger platforms to launch preventive and crisis response actions.

The Joint Research Centre supports the European External Action Service and Directorate-General for Development and Cooperation — EuropeAid in the implementation of the CBRN (chemical, biological, radiological and nuclear) CoE initiative that aims to implement a coordinated strategy for mitigation and preparedness against risks related to CBRN material at the international, regional and national levels and to boost cooperation. This is a capacity building initiative which relies on a solid basis of trust to be created between the partner countries. It is based on a bottom-up identification of priorities, which contributes to developing a sense of ownership by our partners towards the activities which are funded by the EU; the discussion of the needs and priorities for each country is performed by JRC using a Commission developed integrated CBRN Needs Assessment Questionnaire. The results are the basis for the development of a tailored CBRN National Action Plan. In addition, the added value of JRC technical experts in the regional round table meetings, which take place twice a year, allow for the development of targeted project proposals which are implemented by EU Member State expertise.

The Joint Research Centre provides support to Directorate-General for Development and Cooperation — EuropeAid for the projects under implementation in the EU CBRN CoE (a total of 49 projects since the launch of the Initiative in 2010), and others, funded by the ICSP, in the areas of combating illicit trafficking, control and accountancy of nuclear material, and border monitoring in partner and associated countries (including Russia, Ukraine, Moldova, Georgia, Uzbekistan, Tajikistan, countries of South East Asia, Algeria, Morocco, Democratic Republic of Congo, and Afghanistan).

The JRC provided technical support and implemented technical projects in several regions in the field of combating illicit trafficking of radioactive and nuclear material. These projects aim at improving the capabilities of partner countries in the detection of and response to nuclear and radioactive material that is out of regulatory control. The projects cover a large portfolio activities, ranging from providing adequate equipment (fixed or mobile, to identified border crossing points or regional deployment), support to the development or enhancement of standard operating procedures, development of national response plans, improving the technical capabilities of the authorities, providing training to front line officers, ensuring the sustainability of the knowledge transferred via the development of national or regional training centre and the provision of 'train the trainer' courses, assisting in the development of capabilities in nuclear forensics and supporting the development of human resources programmes. These projects are currently under implementation in some of the countries of the Commonwealth of Independent States, North Africa and Sub Saharan Africa, Central Asia and South East Asia, and are closely coordinated with the major international players such as the International Atomic Energy Agency and the US Department of Energy under the Border Monitoring Working Group.

Technical, analytical and legal support is also provided by the JRC in the field of export control of dual-use items. The EU therefore controls the export, transit and brokering of dual-use items as a key instrument contributing to international peace and security. In 2014, the JRC was tasked by Directorate-General for Development and Cooperation — EuropeAid to review, monitor and suggest proposals for adjustment of the EU Long Term programme (LTP) based on evaluation of the LTP II and LTPIII activities in partner and ad hoc countries. JRC developed a strategy and methodology for export control outreach to support EuropeAid in guiding the next steps of the programme. This technical support also encompasses support for the export control working group with US Department of State and new activities such as the world trade atlas on dual-use related commodities which involves the design and development of a support tool to complement the identification of strategic EU outreach priority countries from a trade-relevant perspective.

The JRC implements a safeguard project to support the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials (ABACC), a regional safeguards organization created by the Bilateral Agreement signed between Argentina and Brazil. This project aims at transferring to ABACC technologies for safeguards applications (via equipment provision and capacity building) namely, 3D Laser Verification and Ultrasonic Seals (developed by JRC) and approved for Safeguards use by both the International Atomic Energy Agency and by the European Commission's DG-Energy.

The EU has been supporting the IAEA ECAS (Enhancing Capabilities of Safeguards Analytical Services) project from the Instrument for Stability (IfS) with funding totalling EUR 10 million for the construction and outfitting of specific laboratory areas. The project comprises the IAEA clean laboratory extension (CLE), the new nuclear material laboratory construction (NML) and the Seibersdorf site infrastructure and security upgrading. Directorate-General for Development and Cooperation — EuropeAid, the External European Action Service and Joint Research Centre have been closely and successfully cooperating since 2010 in the frame of the ECAS project. The project concluded in 2014, and JRC submitted the corresponding technical report to EuropeAid. During the visit of the JRC Director General, V.

Sucha, to the new IAEA-NML on 11 June 2014, a commemorative plate was mounted acknowledging the EU sponsored laboratory area.

3.4. Nuclear safety

The Instrument for Nuclear Safety cooperation promotes the highest level of nuclear safety worldwide. Under the first Instrument for Nuclear Safety Cooperation running from 2007 to 2013, European expertise has been transferred to beneficiary countries throughout support to Regulatory Authorities and their Technical Support Organisations, Nuclear Power Plant operators and organisations dealing with radioactive waste management.

The first Instrument was evaluated by an external consultant¹⁰⁰ and the recommendations were taken into account in the new Instrument that will be implemented from 2014 to 2020¹⁰¹.

The new programme, with an overall budget of EUR 225 million, is a very specific, technical instrument dealing with nuclear safety, nuclear waste management and nuclear safeguards. All projects implemented in these three areas contribute respectively to a safer world by promoting a nuclear safety culture worldwide, a cleaner environment in particular considering remediation activities and to the non-proliferation regime by establishing a sound nuclear material accountancy and control system.

In 2014, the two programming documents, the Strategy¹⁰² and the Multiannual Indicative Programme¹⁰³ have been adopted by the Commission. They define the thematic and geographical priorities as follows:

1. Thematic priorities:

Thematic area	% of the budget
Safety culture	50
Radioactive wastes	35
Safeguards	10

2. Geographical priorities:

- Neighbourhood (East and South)
- Africa

¹⁰⁰ Accompanying document to the report from the Commission to the European Parliament and the Council on the evaluation of the implementation of the Council Regulation (EURATOM) N° 300/2007 (Instrument for Nuclear Safety Cooperation in the period 2007 – 2013)

¹⁰¹ Council Regulation (EURATOM) N°237/2014 of 13 December 2014 establishing an Instrument for Nuclear Safety Cooperation

¹⁰² Commission Implementing Decision COM(2014)3763 of 13.06.2014 on a Strategy for a Community Cooperation Programme on Nuclear Safety (2014 – 2020).

¹⁰³ Commission Implementing Decision COM(2014)3764 of 13.06.2014 on the Instrument for Nuclear Safety Cooperation Multiannual Indicative Programme (2014 – 2017)

A number of main achievements of the Instrument for Nuclear Safety Cooperation programme in 2014 are noted below.

Belarus has started the construction of its first nuclear power plant which is located very close to EU borders (Lithuania and Poland). The European Commission has successfully engaged with the Regulatory Authority of Belarus in close coordination with the other support programmes in particular through the International Atomic Energy Agency. Projects to enhance and strengthen the national regulatory capacity benefit from similar experiences with the Ukrainian Regulator.

The programme has put a lot of effort in to address the environmental issues in Central Asia originating from the legacy of former uranium mining activities in the region. The resulting contamination, both radioactive and chemical, has a direct impact on the population and the environment. A series of feasibility studies and environmental impact assessments previously financed by the Instrument are now ready to be implemented.

The European Commission has also successfully engaged with the main organisations in China where the nuclear fuel cycle is fast developing. A newly created independent Regulatory Authority is currently supported by the China Atomic Energy Authority that oversees the whole Chinese nuclear industry. For the first time, China agreed to cooperate in the area of safeguards of nuclear materials which is a major non-proliferation issue.

The European Commission has for the first time engaged with the sub-Saharan Africa following a cooperation request from Tanzania. Support to the regulatory authority on uranium mining and transport issues will start and be extended at regional level. A more integrated approach has been developed and is being implemented based on the synergy with the Instrument contributing to Stability and Peace. The complementarity in the nuclear area allows the situation to be addressed in the beneficiary countries following the internationally recognised “3S” method: nuclear safety, safeguards and security. A pilot project is currently proposed for Southern African countries (Malawi, Namibia, Tanzania and Zambia).

Joint Research Centre experts have provided support to Directorate-General for Development and Cooperation — EuropeAid for the implementation of the Instrument for Nuclear Safety Cooperation (INSC) and DG ELARG for the nuclear safety part of the Instrument for Pre-accession Assistance (IPA), which focuses on the following priority areas: support to Nuclear Regulatory Authorities (RA) and Technical Support Organisations (TSO) of partner countries; support to nuclear power plants (NPP) operating organisations aiming at safety improvements of the design, operation and maintenance of NPPs; support to the organisations responsible for the safe decommissioning of nuclear facilities, contaminated land remediation and management of radioactive waste; and support to the application of efficient and effective safeguards of nuclear material in third countries.

Technical input was provided to the selection and definition of projects, the technical evaluation of tenders, contract negotiation, project implementation management and follow-up, evaluation and dissemination of project results.

Through the implementation of these actions, the EU is able to promote and directly contribute to higher levels of nuclear safety in countries outside the EU by assisting in the resolution of real, identified nuclear safety deficiencies in Beneficiary countries,

while ensuring sustainability by increasing the strength, technical capacity and safety culture of the entities involved in nuclear activities in those countries.

For INSC, the 2014 trend has been a further reduction in the activities of support to the operators of NPP, particularly in Ukraine where this has been a significant activity in the past, but no new projects have been programmed since 2012. However, JRC has continued to support the implementation of projects already programmed in previous years. The support to RAs and their TSOs continues to expand in several countries. In addition, JRC has supported the development of new projects programmed in the INSC in 2014 for support to the RAs in Iraq, Tanzania and Ukraine as well as the latest in a series of projects aimed at offering a range of training courses for the staff of RAs of all INSC partner countries. Radioactive Waste Management activities continue to be strongly supported in Central Asia, particularly related to the remediation of contaminated former nuclear sites, and in Ukraine. For these countries/regions JRC has supported EuropeAid for the programming of new projects for the 2014 INSC programme as well as supporting the tendering, contracting and implementation of projects of the programmes of previous years.

South East Asia is a region where many countries are seriously considering the nuclear option in their Energy mix. Following the Fukushima accident, the region also recognised the need to address Emergency Preparedness and Response to nuclear accidents on a regional basis. The EU is funding a feasibility study with the participating countries that will review the current procedures in place, assess the gaps and corresponding needs and propose an Action Plan. This project benefits from the creation of an ASEANTOM organisation that recognises the added value of the EURATOM (European Atomic Energy Community) model.

IPA target countries are those in the process of accession to the EU. The projects encompass again broad range of activities in many different fields such as capacity building of nuclear regulatory bodies, operational safety of nuclear facilities, radioactive waste management, decommissioning and remediation of contaminated sites. One specific project, dedicated to the remediation of the site of the Vinca Institute of Nuclear Sciences near Belgrade in Serbia has covered the removal of the fuel from the RA research reactor located at the site, its repatriation to Russia and its reprocessing and disposal there, as well as the construction of radioactive waste processing and storage facilities at the Vinca site, treatment of radioactive wastes, including disused sealed radioactive sources, and decommissioning of facilities at the site.

3.5. Humanitarian assistance and Civil Protection

Introduction

The European Commission, principally through its Directorate General for Humanitarian Aid and Civil Protection (ECHO), takes the lead in formulating EU humanitarian aid policy and for managing humanitarian aid to the victims of conflicts or disasters, both natural and man-made, in non-EU countries. The European Union - Member States and the Commission together - is the world leading humanitarian donor. The mandate of the European Commission in this area is to save and preserve life, to reduce or prevent suffering and to safeguard the integrity and dignity of people affected by humanitarian crises by providing relief and protection. The Commission also helps to facilitate coordination with and among EU Member States

on humanitarian assistance. The overall priority is to ensure that aid is managed in the most effective and efficient way possible so that the help Europe delivers to people in need has the maximum effect, whilst respecting the principles of international law and those of impartiality, neutrality, humanity, non-discrimination and independence.

Response to natural and man-made disasters is also provided through the Civil Protection Mechanism, which is similarly under the remit of DG ECHO and the responsibility of the Commissioner for International Cooperation, Humanitarian Aid and Crisis Response. This instrument covers interventions in Member States, as well as in non-EU countries.

Humanitarian aid

EU Humanitarian Aid continued to focus on supporting those most in need following sudden onset, protracted and forgotten crises. The **Syrian conflict** entered its fourth year and remains the biggest humanitarian and security crisis in the world. Tens of thousands of people have lost their lives; half of the Syrian population has been forced away from their homes, with over 3.8 million seeking refuge in neighbouring countries. The humanitarian response to this complex crisis continued to put a heavy strain on aid budgets. In order to reach out to those most affected, the EU has made available over EUR 3.1 billion in assistance¹⁰⁴, making Europe the largest aid donor worldwide. This comes in addition to the in-kind assistance provided through the EU Civil Protection Mechanism. Aid has been provided in support of the 12.2 million people in need of humanitarian assistance inside Syria as well as to the millions of Syrian refugees and their host-communities in the region in the form of medical emergency relief, protection, food-nutritional assistance, water, sanitation and hygiene, shelter and logistics services.

The people of **Iraq** have been suffering the harsh consequences of the country's worsening security situation. The dramatic escalation of violence in 2014 has had a large scale humanitarian impact, with over two million more people displaced in the course of the year. There are grave concerns over the affected local population, which is either displaced or trapped by the conflict and cannot be reached with aid. In addition, Iraq hosts almost a quarter of a million refugees from the fighting in neighbouring Syria. The European Union has been scaling up its operations, increasing its humanitarian aid budget to EUR 20 million to meet the needs of the most vulnerable. The EU helped provide life-saving healthcare services, food, basic shelter, water and sanitation, as well as protection. Furthermore, through the EU Civil Protection Mechanism, the EU has delivered humanitarian in-kind assistance, such as food and other urgent supplies.

The conflict in **Eastern Ukraine** resulted in the displacement of more than 600 000 people by the end of 2014 with growing humanitarian needs. ECHO has been multiplying its efforts to actively respond to this crisis and has scaled up its assistance twice to complement the initial EUR 2.5 million of the emergency decision adopted in early August to a total of EUR 11.05 million in the year. Priority needs were winter-proof shelters and access to basic needs and services – in particular health services including psycho-social support, WASH, NFI, Food, livelihoods and

¹⁰⁴ EU Budget and Member States contribution

protection through cash and vouchers or in-kind assistance modalities. In addition the EU Civil Protection Mechanism was activated at several occasions to ship in-kind assistance from Member States in a coordinated manner.

The outbreak of **Ebola** in West Africa is the largest ever recorded having killed over eleven thousand people. The affected countries and the humanitarian organisations have fought to control the spread of the disease. However, they have faced challenging complications including infection and death of medical workers, a lack of medical equipment, growing food insecurity, and limited access to safe drinking water and sanitation. As one of the first international donors to react to the evolving crises in March, the European Commission through various instruments contributed more than EUR 414 million¹⁰⁵ in direct aid to the countries and medical research, bringing the total EU contribution to over EUR 1.2 billion. These funds support the life-saving work of its humanitarian partners, as well as providing budgetary support and strengthening the healthcare systems of the affected countries, deploying medical staff and mobile laboratories. The EU is also providing critical logistics to ensure the rapid transport of equipment and experts to the region by air and sea.

Plagued by unrest, insecurity and political instability, the **Central African Republic (CAR)** is another of the world's humanitarian hotspots. The lethal combination of inter-community violence, frequent natural disasters and the overall weakness of state institutions have resulted in over half of the 4.6 million population being in need of humanitarian assistance. The EU has worked tirelessly to draw international attention to the crisis in the CAR and its effects on neighbouring countries and has, as the largest donor of life-saving assistance to the country, provided over EUR 128 million in aid for Humanitarian interventions in 2014 (of which EUR 55 million was provided by the European Commission since December 2013, including EUR 14 million for CAR refugees in neighbouring countries). In addition, the European Commission has organised repeated airlifts of aid workers and relief material to support the Commission's humanitarian partner organisations.

South Sudan, the youngest and one of the poorest countries in the world, has witnessed a surge in internal tension and fighting. At least 10 000 people have been killed since the political conflict in the country turned violent at the end of 2013. Nearly two million men, women and children have fled their homes since then, including some 470 000 who sought refuge in neighbouring countries. The conflict multiplied humanitarian needs in South Sudan. By the end of 2014, 3.8 million people in South Sudan have received humanitarian assistance, including more than 245 000 refugees in the country. In 2014, the European Commission has provided over EUR 110 million in humanitarian aid in response to the crisis. In total, the European Union, its Member States and the European Commission have responded to the ongoing crisis with humanitarian assistance worth over EUR 267 million in 2014. EU humanitarian experts are permanently based in the region, working closely with relief organisations and monitoring the efficient use of EU funds in accordance with the current humanitarian needs.

As one of the worst natural disasters in recent years, the Haiyan typhoon, which struck the **Philippines** in November 2013, is still affecting the population of one of the most disaster-prone countries. Months after the storm hit the island country,

¹⁰⁵ Out of which EUR 66 million from the EU humanitarian budget.

killing more than 6 200 and displacing over four million, people still struggle to rebuild their homes and livelihoods. With over EUR 180 million worth of humanitarian aid, the EU has helped more than 1.2 million people by contributing to providing shelter, food, clean water, sanitation and in support of the local population's rebuilding efforts and efforts to prepare for future natural disasters.

As a global donor, the Commission seeks means to redefine and boost the global humanitarian response through new and innovative approaches to sectors such as food, sanitation, shelter, education, communication, to name a few. But the Commission is also developing innovative solutions for disaster monitoring and preparedness¹⁰⁶.

The first EU Resilience Forum¹⁰⁷, jointly organised by the Commission's services (ECHO and EuropeAid) on 28 April attracted over 160 participants representing a diversity of organisations and contexts. It demonstrated strong international commitment to resilience, and has re-affirmed the validity of the thematic policy approach¹⁰⁸, as well as providing useful guidance on how it can be further optimised.

Furthermore, the challenge of how to allocate limited funding to competing priorities and needs in emergencies remained an imperative. Despite children being among the most vulnerable in humanitarian crises, child protection and education in emergencies are among the least funded humanitarian sectors. Education needs a longer-term perspective, which humanitarian aid alone is not able to give. Therefore in 2014 close cooperation continued between European Commission's services (notably ECHO and EuropeAid) on education in emergencies¹⁰⁹ at policy level. Coordination at the EU level already takes place and complementarity and synergies of the EU Children of Peace Initiative with other EU funding instruments, in particular for development and crisis management, are actively encouraged including the funding provided by the Global Partnership for Education. Through the EU Children of Peace Initiative, EUR 6.7 million was provided in 2014, benefitting 155 000 children.

Civil protection

The new Union Civil Protection Mechanism¹¹⁰ (CPM) legislation was adopted at the end of 2014 as a result of intensive work in particular during the first half of the year. Member States have agreed on all the necessary implementing provisions, which include the rules for the functioning of the new voluntary pool of disaster response assets for which a first start-up configuration with more than 50 civil protection modules and teams, as well as other response capacities, has been agreed and will be implemented in 2015. Among these assets are urban search and rescue teams, as well as certain camp and shelter facilities, advanced medical posts, field hospitals and other capacities.

Prevention and preparedness advisory missions are a new tool the EU can use to help countries requesting civil protection assistance. The new prevention aspects of the CPM legislation were also elaborated, including discussions with Member States

¹⁰⁶ http://ec.europa.eu/echo/what/humanitarian-aid/risk-reduction/innovations_en

¹⁰⁷ http://ec.europa.eu/echo/field-blogs/photos/eu-resilience-forum-reducing-vulnerabilities-worldwide_en

¹⁰⁸ http://ec.europa.eu/echo/what/humanitarian-aid/resilience_en

¹⁰⁹ http://ec.europa.eu/echo/what/humanitarian-aid/children-in-emergency-crises_en

¹¹⁰ http://ec.europa.eu/echo/files/aid/countries/factsheets/thematic/civil_protection_legislation_en.pdf

on the new Commission guidelines on risk management capability assessments and the new European peer review programme.

The Commission, through ECHO, has also started a more consistent global outreach to strategic partners, including China, Japan and ASEAN¹¹¹. The Commission and Japan are engaging in closer cooperation on the revision of Hyogo Framework for Action (post 2015 HFA) on Disaster Risk Reduction. Cooperation and policy exchange is ongoing with the ASEAN Secretariat and operational contacts are being strengthened with the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre). All assistance under the Mechanism, including assistance from the voluntary pool, can be requested by affected countries as well as via UNOCHA and a few other international organisations, such as the IOM¹¹².

The Commission, through ECHO, is testing out new synergies between civil protection and humanitarian aid, which was a priority issue for the Italian Presidency of the EU. We intend to actively promote this issue, not the least based on our unique position as highlighted in the activation of the Union CPM for the delivery of humanitarian assistance to Iraq¹¹³.

Evidence based decision making

In 2014, the Commission has made progress in improving the transparency of its internal decision making processes through the development of a common, transparent science-based humanitarian risk index 'INFORM' based on open data. Launched in 2014, 'INFORM' is aimed at harmonising disaster risk management across humanitarian actors. It is a joint initiative of the UN Inter-Agency Standing Committee and the European Commission as well as donors, NGOs and Member States.

EU Aid Volunteers

As envisaged by the Treaty of Lisbon, the EU has established a European voluntary humanitarian aid corps to give citizens the opportunity to be involved in humanitarian action. The EU Aid Volunteers Regulation¹¹⁴ was adopted on 3 April 2014, and aims to strengthen the Union's capacity to provide needs-based humanitarian aid and train the humanitarian leaders of tomorrow while giving young Europeans an opportunity to show solidarity with people in need. The volunteer programme is open to young people who plan to take up a career in emergency aid work and humanitarian aid experts who already have experience. The EU will ensure that participants are sent where their skills are most needed and ensure that they contribute to strengthening local capacities and local volunteering. The programme will create opportunities for 18 000 people to volunteer in humanitarian operations worldwide by 2020.

Budget

Following its needs-based approach, humanitarian and civil protection assistance was provided to the following regions (in EUR millions):

¹¹¹ Association of South East Asian Nations

¹¹² International Organisation for Migration

¹¹³ http://ec.europa.eu/echo/news/humanitarian-aid-reaches-iraq-eu-civil-protection-mechanism_en

¹¹⁴ Regulation (EU) No 375/2014, 3.4.2014

ECHO 2014 BUDGET IMPLEMENTATION		
Region/country	Amount	%
Africa	572	45%
Sudan & South Sudan	143	
Central Africa	77	
Great Lakes	56	
Horn of Africa	116	
Southern Africa, Indian Ocean	7	
West Africa	174	
Middle East, Mediterranean and European neighbouring countries	340	27%
Middle East	315	
Mediterranean	12	
European neighbouring countries	14	
Asia, Pacific	133	10%
Central Asia	8	
South West Asia	94	
South East Asia and Pacific	31	
Central & Latin America, Caribbean	48	4%
Central & Latin America	24	
Caribbean	24	
Worldwide disasters	38	3%
Civil protection	48	4%
Inside EU	29	
Outside EU	19	
EU Aid Volunteers	12	1%
Complementary operations	82	6%
TOTAL	1.273	100%

(in EUR

million)

3.6. Macro-Financial Assistance

The objective of macro-financial assistance, or MFA, is to strengthen macroeconomic and financial stability in candidate and potential candidate countries and in countries in the European neighbourhood, while encouraging the implementation of appropriate structural reforms. It complements an adjustment and reform programme agreed with the IMF. MFA is a balance of payments support instruments, which take the form of either loans or grants.

2014 was characterised by progress towards the implementation of several MFA operations that had suffered from delays (Georgia, Jordan, Tunisia, Kyrgyz Republic), and the rapid deterioration of the political and economic situation in Ukraine, which triggered MFA operations of an unprecedented size.

Ukraine: In 2014 EUR 1.36 billion was disbursed under two MFA programmes. The Commission plans to disburse the remaining EUR 250 million under the first MFA programme by early 2015, subject to successful implementation of the economic policy and financial conditions agreed with Ukraine, and a continuous satisfactory track record of implementing the IMF programme. Furthermore, the Commission proposed on 8 January 2015 a third MFA programme for up to EUR 1.8 billion.

Georgia: Following a decision in 2013, this MFA operation consists of EUR 23 million in loans and EUR 23 million in grants. Implementation could only start when a new IMF programme was agreed in 2014 and disbursements are planned for 2015.

Kyrgyz Republic: The Commission's 2011 proposal to extend MFA to the Kyrgyz Republic for EUR 15 million in loans and EUR 15 million in grants was adopted in October 2013. Disbursements of both the first and second tranches are planned in 2015, subject to a new IMF programme being in place.

Jordan: The Commission proposal to extend EUR 180 million in loans to Jordan was adopted in December 2013. The first tranche (EUR 100 million) was disbursed in February 2015. The disbursement of the second tranche is also planned for 2015.

Tunisia: The decision to extend MFA of EUR 300 million in loans was adopted in May 2014 and disbursements are planned for 2015.

4. CHAPTER 4 - MANAGING AID FOR RESULTS

4.1. Monitoring and evaluation

4.1.1. Enhanced focus on results

Over 2014 several actions took place to enhance the results focus of the EU's external assistance programmes.

The 2014-2020 country, regional and thematic multi-annual programming documents have been systematically reviewed in order to ensure expected results and indicators are of appropriate (measurable) quality and a manageable number.

For the preparation of new individual actions, a new Action Document template was adopted by end of year to be in force as of 1 January 2015, which puts a stronger focus on results to ensure that expected results and indicators are properly included in Action Documents (see also section 4.3.1).

Substantial preparatory work has been accomplished with regard to the International Cooperation and Development Results framework which should enhance the EU's reporting on results as a donor at the corporate level. In that context, the Commission is also looking at synergies that can be created to facilitate reporting on overall key results of EU funded actions at the level of individual countries. The first reporting on the basis of the new results framework is scheduled for the last quarter 2015.

Furthermore, the Commission's services have continued to work on the preparation and implementation of reforms of project monitoring and reporting which aim to improve quality and accountability during and at end of project implementation. This relates both to monitoring and reporting by the Commission services and EU Delegations and external technical assistance used by them.

A first set of reforms, which relate to external technical assistance, has been prepared and is in the process of being implemented and will be fully rolled out over first half of 2015. The assistance is provided through the new Results Oriented Monitoring (ROM) system. The new system will be characterised by the selection of projects based on risk and those in need of support through the system. It also apply greater attention to project results during ROM reviews of ongoing projects and programmes and will moreover provide specific support to end of project results reporting linked to the reporting on the basis of the Results framework.

Specific provisions on results oriented reporting by EU implementing partners have been added in the course of 2014 in the new templates for the Administration Agreement (with the World Bank) and of the PAGODA Agreement (covering all pillar assessed organisations – including UN agencies - see the DEVCO Companion Chapter 3¹¹⁵). This should help to ensure greater availability of results data in progress and final reports transmitted by EU implementing partners.

¹¹⁵<http://ec.europa.eu/europeaid/companion/>

Finally, further internal guidance will be developed on how to improve the results focus in projects and programmes through updated training courses and methodological documents including through an update of the Sector Indicator Guidance document issued by EuropeAid in 2013 to EU Delegations and European Commission HQ services.

4.1.2. Evaluation: review of the work programme

4.1.2.1. Overview

The Evaluation Unit manages strategic evaluations, covering geographic, thematic and sector programmes, and aid delivery mechanisms (project-level evaluations are dealt with in section 4.1.1). Evaluations are carried out by independent external consultants who follow a standardised methodology. All evaluation reports and the responses to their recommendations are public¹¹⁶.

4.1.2.2. The 2014 work programme

In 2014, the Evaluation Unit finalised and published a regional evaluation on EU support to **Asia**, two Budget Support evaluations (for **Morocco** and **Mozambique**), six country evaluations for **Cameroon**, **Kenya**, **Palestine**, **Haiti**, **Democratic Republic of Congo** and **Togo** and a joint evaluation of the cooperation with **Burundi**.

The Evaluation Unit also published a **Study on uptake** and a **Synthesis of the seven evaluations of General and Sector Budget Support** undertaken in seven countries (Tunisia, Mali, Zambia, Tanzania, South Africa, Mozambique and Morocco) over 2010 – 2014.

At the end of 2014, the following evaluations were **ongoing**: Gender, Environment and Climate Change, Research and Innovation, Transport, Georgia, Timor-Leste, Bolivia, Madagascar, Yemen, Jordan, regional evaluations on Central America and Pacific and a Budget Support evaluation for Burundi.

In addition, the following evaluations were **launched** during 2014: **Budget Support Evaluations** for Uganda and Paraguay, **country evaluations** for Chad, Bangladesh (joint), Pakistan, Lesotho, **regional evaluation** for Central Asia, **thematic evaluations** for Democracy, Higher Education, Delegated cooperation and one **aid modality** on Blending.

Cross-cutting and methodological work

Evaluation Policy:

Directorate-General for Development and Cooperation — EuropeAid is taking steps to upgrade the role and practice of evaluation in its activities with a view to improving the evidence base of its actions and encouraging a learning culture. We have therefore adopted an Evaluation Policy that represents a commitment to evaluation as a core part of EU development practice.

¹¹⁶ http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm

Evaluation Correspondents' Network (ECN):

The ECN was launched in 2014 to enhance the evaluation culture and expertise across the organisation. All Delegations and HQ Directorates have appointed an Evaluation Correspondent in charge of coordinating the evaluation work and developing capacities of its service. A dedicated Capacity4Dev Group has been set up that is moderated by the Evaluation Unit.

Study on Uptake of learning from strategic evaluations:

The Study was commissioned in the context of EU efforts to achieve greater development impact and to make knowledge a corporate priority. It found that despite the fact that several strategic evaluations have, in a variety of ways, influenced EU policies and practices, there is still room for improvement especially in **management involvement and support, better response to users' needs and sharper focus on outcomes**.

4.1.2.3. Summary of evaluations

EU regional cooperation with Asia 2007-2012

The EU regional cooperation with Asia has been highly relevant to the needs of Asian partner countries despite the lack of an overall coherent regional approach. Development cooperation and interregional policy dialogues have mutually reinforced each other and increased the EU's leverage on key agendas, achieving different degrees of performance: environment (high), health (medium), higher education (low). Most interventions under the Regional Strategy Paper (RSP) are characterised by a high level of national and regional ownership and this has contributed to the effectiveness of implementation.

EU cooperation with Palestine 2008-2013

EU has contributed to sustaining welfare for Palestinians by preventing fiscal and economic collapse, fostering stability and building the institutions of the Palestinian Authority in preparation for the two state solution. Nevertheless, the EU lacked coherent and effective actions aimed at removing obstacles to Palestinian statehood and development. The EU has not successfully exercised leadership for strategic triangulation of a results-based dialogue with Israel and the Palestinians. The current cooperation design and its implementation modalities have reached their probable limits in terms of the EU's political objectives.

Evaluation of the European Union's Cooperation with Kenya 2006-2012

The EU strategy has been relevant in focusing on transport and rural development and responsive to the changing context. Nevertheless, the overall effectiveness of the EU aid has been relatively modest due to limited ownership by the Government of Kenya, difficult policy dialogue and slow progress in reforms. Some results have been achieved in improving agricultural practices and access to social infrastructure, but the EU was too narrowly focused on financial issues and outputs. The EU should pay more attention to the political and policy dialogue with the Government of Kenya and develop comprehensive, results-oriented sector strategies.

Evaluation of the European Union's Cooperation with Cameroon 2007-2012

EU support to Cameroon has been aligned with Country's priorities but lacked a thorough ex-ante political economic analysis and changes in strategic orientations

are required. The results are rather modest despite the EU leadership in the government-partners dialogue. In every sector, the EU has successfully taken into account absorption capacity, but its approach has not been always conducive to broad inclusive consultation with all the key actors. Activities have remained substitution activities in some sectors; others have focused on capacity building but not been sufficiently assimilated to ensure sustainable results.

Joint evaluation of the cooperation with Burundi of Belgium, the European Commission, France, Germany, the Netherlands, Sweden and the United Kingdom 2005-2011

Aid has generally been well delivered with some important direct results. However insufficient consideration of the available analyses of the situation in the country and interventions has prevented the achievement of the societal changes expected in term of stability, institutional building and growth. The assumption of shared objectives between donors and Burundian Government which underlies the process of cooperation is not realistic, especially in governance, media and civil society issues. The evaluation recommends having continuous strong political and policies analysis shared among donors and to adjust the assistance to the reality.

Evaluation of the European Union's cooperation with Haiti 2008-2012

EU cooperation with Haiti was sufficiently flexible to cope with a series of external shocks including the 2010 earthquake. Results and sustainability of EU cooperation have been suffering from a weak institutional context. For the future the EU should have at the core of its strategy the strengthening of the State and the improvement of sector strategies; it should seek a comprehensive approach to central and decentralised levels and seek effective articulation of available instruments. The use of budget support was courageous and innovative with relevant macroeconomic effects.

Evaluation of the EU's cooperation with the Democratic Republic of Congo 2008-2013

In a context of fragility, EU-DRC cooperation brought some valuable results which need to be consolidated. Although the strategy was in line with the orientations of the Congolese development policies, the sustainability and impact of EU funded interventions were impeded by structural shortcomings and dysfunctions. EU support for rehabilitation of infrastructures and the public healthcare system produced direct positive effects for Congolese inhabitants and played an appreciable role in poverty reduction. For the future, the EU should define more realistic cooperation objectives, better taking into account the risks as well as the resources available for the implementation of interventions.

Evaluation of the European Union's Cooperation with Togo 2007-2013

The resumption of full EU cooperation in 2007 was a strong political signal. Despite some shortcomings, the EU adopted an approach that was sensitive to matters relating to fragility and contributed to progress in the country notably through its active political role. The EU effectively supported the electoral and national reconciliation processes and enabled Togo to make some progress in terms of justice. The EU also contributed to the overall effort to restore and consolidate macroeconomic balance and to the construction and rehabilitation of economic infrastructures.

Joint evaluation of budget support in Mozambique 2005-2012

Overall, Budget Support has been successful in Mozambique. It has made possible a major expansion in education provision, whilst supporting economic growth and macroeconomic stability and facilitating steady improvements in public financial management and, to a lesser extent, in governance. Despite the fast growth achieved, no progress in income poverty reduction has been observed mostly because of the failure of the agriculture sector policy to significantly improve agriculture productivity of small farmers. The evaluation recommends a set of joint actions aimed to reduce this major issue.

Joint evaluation of budget support in Morocco 2005-2012

Budget support has accompanied an important reforms process and has contributed to the achievement of positive results in the social sectors (health and education). However these results are uneven. The quality of education remains an issue and, in the two sectors, Morocco is still facing important disparities: between gender and regions and between urban and rural areas. To fully use the potential of the instrument, the evaluation recommends strengthening the dialogue on the budget as a key tool for steering and managing public policies and to pay more attention to the results of the implementation of public policies for the whole population.

4.1.2.4. Outlook for 2015

The following evaluations are scheduled to be launched before the end of 2015:

- Geographic level: Afghanistan, Ethiopia, Ivory Coast, Regional Eastern and Southern Africa;
- Thematic level: EU approach to Food Security, Joint Programming, Policy Coherence for Development;
- Budget Support: Burkina Faso, Ghana, Peru, Sierra Leone.

4.1.3. Lessons learned

4.1.3.1. The ‘fiches contradictoires’

The ‘fiches contradictoires’ are a key tool to ensure the follow-up of evaluation recommendations and present in tabular form: the main recommendations of an evaluation; the response of the services and actions to be taken; and the follow-up of these actions one year later. Every "fiche contradictoire" is available on the Evaluation Unit website¹¹⁷.

4.1.3.2. Synthesis of key lessons learned

Synthesis of the main findings and lessons learned from Budget Support evaluations

The synthesis of the seven evaluations of General and Sector Budget Support undertaken in seven countries (Tunisia, Mali, Zambia, Tanzania, South Africa,

¹¹⁷ http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm

Mozambique and Morocco) shows the **main contributions** of Budget Support are: Increased provision of Public Goods and Services in agreed priority sectors (in particular health, education and roads); Improved non-income poverty reduction; Strengthened PFM systems; and Improved Policy Dialogue on Sector Reforms and Systems.

Main conclusions for Budget Support

As Aid Modality Budget Support is best aligned with criteria laid down in the Paris Declaration, Accra Agenda and Busan

Budget support is no panacea and not applicable in all circumstances (for example with an absence of sector strategies; direct improvements of service delivery at local level; or local government development)

Budget support is most effective in situations of partnership based on trust and confidence

Budget support allows for wider and deeper policy dialogue and eliminates a 'piecemeal approach'

Lessons learnt from evaluations in fragile countries

Overall, there have been **good results at sector level**, but the impact and sustainability of EU interventions are at risk and do not allow for deep societal changes. For the future, the EU should undertake more rigorous in depth **contextual analysis** including institutional constraints and risk assessment and focus more on strengthening **political and policy dialogue**. It should adopt a **comprehensive and flexible approach** in order to respond to emerging needs and it should be more realistic on the objectives to be achieved. Its interventions should focus on capacity building and **state strengthening** in line with the New Deal principles.

4.2. Aid delivery modalities

4.2.1. Developments in aid delivery modalities and channels

Cooperation programmes and projects are managed under two distinctive modes: either under direct management where the European Commission is the signatory of the contract or under indirect management where the signatory is the beneficiary country/region and the European Commission assumes the funding by endorsing the contract. For the sake of effectiveness and impact, the aid may be channelled through another body, be it an international organisation, a Member State agency, a civil society organisation or the authorities of the beneficiaries' countries, thus forming a wide range of implementing modalities.

This mix of modalities is the result of regional, national and sectorial constraints, opportunities and specificities. Such a variety is needed to suit the wide range of needs we face on the ground. Be it at regional or national level, the European Commission always looks for the best modality to channel the funds. Each of the modalities possesses particularities and offer the preferred option in given conditions. Criteria such as effectiveness, efficiency, availability, visibility, cost, control, ownership, impact, and reporting are assessed when deciding the design of each project.

The budget support modality to be used with partner countries follow a severe selection process and can be granted at national budget or at sector level should the European Commission wish to support the general budget or a dedicated policy of a partner country. It is the aid modality that corresponds best to the objectives and principles of aid effectiveness, notably ownership, the alignment and use of country systems.

Grants, be they under direct or indirect management mode, help us to support numerous projects and initiatives of different scales. Most of them are selected through sectorial calls for proposals, with national, regional or global scope. The sectors on which we offer grants are extremely wide (energy, human rights, employment, education, environment, culture just to name a few). We accompany recipients throughout the lifetime of the projects, following closely their implementation.

Procurement modality encompass service, furniture and works contracts signed with companies, either directly or through the management of the partner countries. The funds spent through this channel are extremely varied: infrastructure works, equipment and supplies, technical and consulting services etc. In line with the applicable financial regulations, different contracting modalities are used depending on the kind of contract and amount of the tender¹¹⁸.

Programme estimates enable us to conduct projects hand in hand with the national ministries of our partner countries. Projects are not only designed together but their daily implementation make our staff work in close collaboration with the national authorities. It is a work-intensive modality but it is one of the best when it comes to ensuring ownership, control and visibility of the projects, and helps us to deepen the knowledge about our partner countries' functioning.

Cooperation with Member States expanded from 2008 with the launch of delegated cooperation and the development of blending facilities. Joint programming with Member States, which aims to make our aid more efficient, constitutes a driver of the current programming exercise; the European Commission and Member States strive to collaborate as much as possible on the ground as well as from a global point of view exchanging good practice and experiences.

Part of our aid is also channelled through international organisations. In line with international commitments, the European Commission funds many programmes implemented by different international organisations which operate in a wide field of expertise. By doing so, we look for the highest impact of our funds, reaching experience and know-how in some sectors where they lie.

4.2.2. Budget support

The new budget support policy is fully and successfully applied. We have substantially improved consistency and reporting as well as the management of the risks and policy dialogue with the risk management framework. The internal

¹¹⁸ Information about ongoing calls for proposals and calls for tenders is available on the European Commission's web page.

governance has been strengthened with the Budget Support Steering Committee (BSSC). Those efforts have been translated into more efficient and effective budget support operations which also show their quality through a sustained decrease in errors found by the Court of Auditors. In 2014 State-building Contracts have shown their usefulness for stabilising fragile situations. The guidance processes of the BSSC have been simplified to better target relevant cases. Domestic revenue mobilisation (DRM) is receiving growing attention and the Commission continued a number of sustained efforts on international, regional and national level to support partner countries in their tax reforms to significantly improve DRM and the fight against illicit financial flows. In addition, the EU supports the Extractive Industries Transparency Initiative (EITI) which aims to improve transparency of revenues from natural resources and the Tripartite Initiative with the World Bank and the OECD to strengthen Transfer Pricing efforts.

A New EU Budget Support Landscape Taking Shape

In 2014 the positive results of the 2011 policy on Budget Support and its new operational approach have been consolidated. State-building Contracts (SBC) have helped to stabilise fragile situations in eleven countries including Madagascar, Central African Republic, Liberia and Guinea Bissau. SBCs aim at helping partner countries to ensure vital state functions and deliver basic services to populations, notably in health and education.

By the end of 2014, 233 BS programmes were being implemented in 84 countries and OCTs for a total amount of EUR 11.175 billion. Sub-Saharan Africa and the Neighbourhood region are the largest recipients. 81 % of BS contracts are sector programmes (SBS/SRC), most often in the education sector. Good Governance and Development Contracts (GGDCs) represent 4 % and State Building Contracts (SBCs) represent 6 %, most of which are being implemented in Sub-Saharan Africa. The remainder are general budget support programmes that pre-date the new policy.

In 2014, BS disbursements amounted to over EUR 1.6 billion, representing 15.9 % of total ODA disbursements (EUR 10.171 billion) of both the budget and the EDF. New commitments in 2014 were exceptionally low at just over EUR 1.3 billion. This is due to the end of the preceding programming cycle. It is expected that Budget Support will remain an important aid modality in the new programming cycle 2014-2020.

The use of comprehensive country-level risk profiles, tested in 2013, has been extended in 2014. 87 Risk Management Frameworks (RMFs) have been completed and have been used as an essential tool in programming, designing and implementing operations and to inform policy dialogue.

The BSSC has been providing strategic guidance on all new programmes and disbursements. In 2014, twenty meetings and nine written procedures were organised, where the BSSC provided strategic guidance on 205 decisions. BSSC processes have been adjusted to target more strategic cases.

Budget support produced significant results, particularly by supporting nationally 'owned' reform processes. A 2014 summary of budget support evaluations noted a significant strengthening of PFM systems and some gains in transparency and oversight, as well as in the legal and institutional framework for fighting corruption.

An internal analysis of Budget Support operations compared EU budget support recipients with recipients of other EU aid. BS recipients score consistently better on a number of indicators – for example concerning poverty reduction (see Table below).

Poverty headcount ratio at 1.25 \$

a day trends

(% population, period averages),
BS/non-BS comparison for all
selected EU aid recipients (exc....

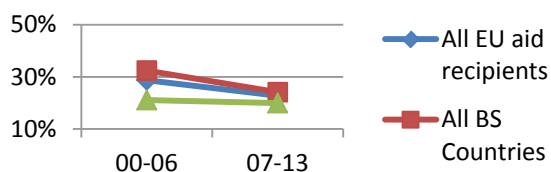


Figure 3. Poverty Headcount ratio

BS is the aid modality that corresponds best to the objectives and principles of aid effectiveness. It will play its role in the post-2015 agenda and the implementation of the Sustainable Development Goals. Domestic revenue mobilisation, fiscal transparency and good public financial management are closely interlinked and strongly supported by each budget support operation.

The Ebola Crisis and the Role of Budget Support

The human impact of Ebola is enormous and the economic impact of the epidemic is also significant. A decline in employment, especially in rural areas, increases poverty and food insecurity. The European Union has mobilised resources to help defeat Ebola immediately and directly.

Budget support provides flexibly and rapid financial resources totalling EUR 52.6 million in 2014 and a further EUR 70 million in early 2015 to reinforce the capacity of the three most affected governments to deliver vital public services, notably healthcare, and to maintain stability. This support helps affected people directly and enables governments to ensure long-term economic recovery.

Domestic Resource Mobilisation, Transparency and Public Finance Management

Domestic revenue mobilisation (DRM) is receiving growing attention in development cooperation as the importance of domestic revenues for the provision of public goods and services and state building is recognised. DRM is currently very low in many developing countries. In 2014 the Commission continued sustained efforts to support partner countries to strengthen DRM and to fight against illicit financial flows.

The Commission supports capacity building in Public Financial Management through budget support, technical assistance associated with BS operations, projects and international cooperation. In particular the 'Pan-African financial governance programme' was adopted with a total of EUR 10 million (EU contribution EUR five

million) to assist on African states in strengthening and improving good financial governance.

The EU supports the Extractive Industries Transparency Initiative (EITI) which aims at improving transparency and accountability in the management of revenues from natural resources. Disclosure of taxes and other payments made by oil, gas and mining companies to governments helps to ensure that these resources can benefit all citizens. There are now forty-eight EITI implementing countries (up from 39 in 2013). Most resource-rich countries in which the EU finances BS operations are implementing the EITI Standard (ten are compliant, two are candidate, and the remaining are in the pre-candidate phase).

The Commission has continued the Tripartite Initiative with the World Bank and the OECD to strengthen efforts against abusive transfer pricing. The reinforcement of partner countries' capacities is helping to reduce tax avoidance and evasion, improve business certainty, and reduce corruption and other malpractices.

In the frame of the Public Expenditure and Financial Accountability (PEFA) programme the Commission participates in the revision of the PFM Performance Measurement Framework leading the task team on indicators for control, audit and procurement. The revised framework continues being tested in 2015 and should be finalised later this year.

The Commission has being the lead donor in about one-third (135) of all PEFA's undertaken since 2005 and participated in another 97 PEFA's.

4.2.3. Using EU grants strategically via blending

Blending, which combines EU grants with loans or with equity from other public and private financiers can leverage additional resources to enable an increased impact of EU aid. Since first introduced at the beginning of the MFF 2007-2013, blending gradually evolved into an important tool of EU external cooperation complementing other implementation modalities. EU regional blending facilities have been set up in all regions and other blending instruments such as the Global Energy Efficiency Renewable Energy Fund (GEEREF) have been established.

Until the end of 2014 more than EUR 1.99 billion grants from the EU budget, the EDF and Member States financed 233 projects. The grant contributions have leveraged approximately EUR 19 billion of loans by European finance institutions (EFIs) and regional development banks. By strategically combining EU grants with market financing, blending has helped to leverage investments of more than EUR 44 billion in EU partner countries. The EU grants are crucial to allow some of the projects to get off the ground, some others to be implemented at an earlier date or at a more sustainable cost for the partner country or simply to allow some projects to reach more and poorer beneficiaries than it would have been possible without grant.

In 2014 a total of EUR 419 million EU grants supported projects with an expected investment volume of almost EUR 7.7 billion. The largest contributions went to the Southern neighbourhood (45 %), Eastern neighbourhood (25 %) and to projects in Sub-Saharan Africa (14 %). Smaller contributions went to Asia (6 %), Central Asia (4 %), Latin America (4 %) and the Pacific (2 %). In terms of sectorial coverage the majority went to energy projects (41 %) followed by transport projects (24 %). 17 % of grant contributions went to water and sanitation projects, 11 % support private

sector development and 7 % of the contributions were spread over sectors like environment, social sector and urban development.

In 2012, the EU Platform for Blending in External Cooperation was launched to further increase the effectiveness of blending. The Platform is led by a Policy Group which makes recommendations based on work carried out in technical groups. It is chaired by the Commission and involves representatives from Member States, the European Parliament and the European External Action Service (EEAS). In the technical groups the Commission works together with experts from EFIs and Member States.

In 2014 the Platform continued the work on reviewing the governance of the existing blending mechanisms in order to improve the effectiveness of blending operations in meeting their policy objectives of poverty reduction and socioeconomic development as well as the efficiency of their management. To do so, the Platform agreed to the organisation of four blending 'frameworks' according to the various financing instruments (EDF – ENI – DCI – IPA). Inside each framework, geographically defined 'facilities' will allow the EU to address the different regional strategic priorities, to increase policy leverage and to effectively use blending operations for policy dialogue.

The Platform also carried on its work on further development of financial instruments, harmonisation of contracting, monitoring and reporting, mobilisation of private sector resources as well as mainstreaming Climate Change financing through blending. The results of the technical groups were presented to the Policy Group in July and December 2014. A report on the activities of the EUBEC Platform was submitted to the Council and the European Parliament at the end of 2014.

Innovative financial instruments, such as risk-sharing mechanisms play a key role. Indeed, risk capital (equity, quasi-equity and guarantees) is one of the forms that the EU grant contribution could take to support investment projects. The idea is to increase the use of EU funds in risk-sharing operations in the future in order to attract, in particular, additional private financing.

4.3. Progress in aid management

4.3.1. Progress on qualitative issues in aid management

Quality of design: a single Action Document template for both aid delivery modalities during full identification and formulation process

A new single Action Document template and related instructions for its completion were adopted in November 2014 with its use becoming mandatory as of 1 January 2015.

The new Action Document template **covers both aid modalities** (budget support and project modality) and has to be progressively completed during **both project preparation phases** (identification and formulation). This avoids choices on aid modalities being made too early and unnecessary repetitive drafting work, problems that were often encountered in the past with the different separate template documents. It has the advantage of maintaining all elements of the action in one easily consultable document. The template and related instructions also facilitate much better understanding of what should be the focus of the identification phase

(including context analysis and presenting any options that need to be discussed as a result of the analysis that include the preliminary proposals for implementation modality and partners), and what should be left to the formulation phase.

Particular emphasis was given in the new template to a stronger results focus in the new template with a logical framework matrix for project modality and a list of result indicators for budget support as new mandatory appendices of the Action Document. In the same vein, a new section on the logic of intervention requires more substance on the chain of results and the implementing arrangements of the envisaged action to explain how the different levels of results to be achieved will ultimately enable real change. The narrative that is asked at this point in the Action Document aims at checking and making the best use of the context and risk analysis, of the lessons learned from evaluations and monitoring, the complementarity and any cross cutting issues.

Quality of Design: the internal peer quality review process

In order to ensure the quality of design of development actions, an internal peer review process is in place through Quality Support Groups (QSGs) that are composed of thematic and geographic experts from Directorate-General for Development and Cooperation — EuropeAid, European External Action Service (EEAS) and other relevant Commission DGs. During 2014 221 actions were screened for identification, and 311 actions were screened for formulation. The lower number of actions assessed in 2014 at end of formulation has been mainly due to the transition to the new programming period (2014 - 2020).

Thematic and methodological guidance, training and knowledge sharing

Key elements in ensuring quality standards and sustainable results are knowledge sharing, methodological support and learning uptake by development stakeholders. In 2014 training courses, workshops and other learning events have been promoted to improve the quality of aid management and the dialogue between partners for improved and long-lasting results. Methodological support and learning activities were focused on areas such as: programme and project cycle management, budget support, capacity development, policy dialogue, fragility and crisis management, decentralisation and local governance, support to civil society, and blending mechanisms amongst other topics. In 2014, 1 920 individuals benefited from 98 methodological courses, of which 19 were organised in partner countries.

In addition, exchange of knowledge and experiences between development practitioners has been facilitated through the EU's knowledge sharing platform on development and cooperation: capacity4dev¹¹⁹. In 2014 the platform continued to grow both in terms of contents and members' activity: 88 new knowledge networks were created, over 6 500 items (documents, blog posts and web pages) were posted, 640 events were shared, and 52 new articles featured video interviews and contributions by EU staff, partners and development stakeholders. Finally, a new section dedicated to learning has been opened in 2014. It features training materials and e-learning shared on the platform.

¹¹⁹ <http://capacity4dev.ec.europa.eu/>

4.3.2. Simplification of procedures

In 2014 the new Management Modes introduced by the Financial Regulation entered into force. In order to cope with the new concepts and the multiplication of templates, EuropeAid R3 led a simplification exercise merging in one single template all the different options. In this way a new template (PAGODA, Pillar Assessed Grant or Delegation Agreement) was created that is applicable for Direct and Indirect Management, both for internal and external policies.

In parallel to the conclusion of this template EuropeAid launched negotiations on framework agreements with six international organisations (the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Organisation for Economic Cooperation and Development, the International Monetary Fund, the International Organisation for Migration and the Council of Europe). These framework agreements apply to the whole Commission. A new Framework Agreement with the World Bank and an amendment to the Framework Administrative and Financial Agreement with the United Nations have been signed to align our agreements with these International Organisations with the requirements of the Financial Regulation.

In 2014 a simplified version of the derogations and prior approval system was designed and put in place. It introduced a new category of transactions – ‘events to be reported’ - which entail less administrative work. They are based on the approval by the relevant authorising officer of a report containing explicitly the case under consideration. In addition to this new category, a few cases of derogations and prior approvals were downgraded in terms of the competent authority approving the transaction. Some cases were also deleted from the list.

In 2014 a set of recommendations to simplify programme estimates under indirect management with partner countries were identified. They will be enforced in 2015 through a revised version of the practical guide on programme estimates. The recommendations aim at making the management of programme estimates simpler and enable finding alternatives to this tool when required. The abolishment of the current annual review, the possibility for the use of country systems, the rise in the threshold for ex-ante controls and the use of grants instead of programme estimates are the main simplification measures.

In addition to the above, simplification files were adopted on the simplification of calls for proposals. The recommendations are being introduced in PRAG 2015. They are meant to decrease the workload that the management of calls for proposals impose on EuropeAid staff, mainly by grouping them whenever possible, testing the possibility of multiannual work plans, the introduction of Framework Partnership Agreements and fostering existing options as financial support to third parties.

4.4. Communication & transparency

4.4.1. Communication and visibility

As this full report shows, EU development cooperation continues to make a real difference to the lives of millions of people in our many partner countries around the world. Communicating the results and achievements of our programmes and projects

is a critical part of this work: it strengthens our accountability towards citizens and contributes to maintaining a high level of support for the EU's policies and funding.

Eurobarometer surveys carried out in 2014 (for publication in January 2015) show that Europeans remain staunch supporters of development aid, and support for development has actually increased: 85 % of Europeans think it is important to help people in developing countries, and 67 % of respondents across Europe think that development aid should be increased, despite Europe's economic problems.

In addition to press releases on major policy initiatives, responses to global events and regular journalist seminars, in 2014, press trips and journalist seminars were organised to accompany Commissioner Piebalgs' visits to Senegal and Mali, and Commissioner Mimica's visit to Guinea Conakry. Meanwhile, a journalist seminar was organised in Ukraine (around the YALTA European Strategy Annual Meeting), and in Haiti.

Together with the UNDP, seven high level academic lectures (the Kapuscinski Development lectures) were organised in EU Member States' universities and one in Cape Town (South Africa). The lectures, featuring eminent speakers such as Aromar Revi, Duncan Green or Henri Shue, offered students a unique opportunity to learn and discuss about development issues.

European Year for Development 2015 (EYD2015)

In 2014, the Commission oversaw all the legal and preparatory actions needed to establish and implement 2015 as the European Year for Development 2015 along with the motto 'Our world, our dignity, our future'.

2015 is a crucial year for development with the deadline for achieving the Millennium Development Goals and adopting a new framework for poverty eradication and sustainable development, known as the 'post-2015 agenda'.

A large event was held ahead of the European Year for Development (in June 2014) to bring together stakeholders and partners to share ideas and best practices ahead of the European Year for Development.

The main objective of the year is to inform and raise awareness of EU citizens, especially young people (15-24 year olds) on the results achieved by the EU and its Member States in development aid as the world's biggest aid donor, the Policy Coherence for Development dimension given the global and interrelated challenges remaining and the win-win dimension of our actions.

The European Year for Development 2015 adopts a co-ownership approach that sees key partners such as the Member States and NGOs in development run their own programmes at their levels to best reach citizens. The year is organised around 12 thematic months which is reflected in the online and digital campaign materials offered throughout the year. In line with the cooperative spirit of the year, partners are invited to publish their own content on the collaborative campaign website and to co-curate the EYD2015 Twitter and Facebook accounts.

2015 is also the first ever European Year dealing with external action policies of the EU and the main 2015 Commission communication priority under the 'EU as a global actor'. Strong coordination and collaboration from all related Directorate-Generals of the European Commission, Representations, Delegations, EU institutions and bodies throughout the year is being assured.

Regularly capturing all these internal EU and external partners' decentralised activities is important for the year's reporting, monitoring and evaluation given the legal basis to report on the year's implementation, results and overall assessment of the measures by 31 December 2016.

In 2014, EuropeAid launched its thoroughly revamped website with updated and refreshed content. The website update is a part of the Commission's efforts to streamline and modernise its digital communication.

A new collaborative campaign website was developed in 22 EU languages which allows the European Commission and its communication partners (EU bodies, Member States, civil society organisations, international organisations etc.) to publish and manage their own content related to the year. The monthly themes are driving the narrative. Partners are invited to post any EYD2015 related events, as well as stories or actions linked to the monthly themes from their development cooperation on the website and to co-curate the EYD2015 Twitter and Facebook accounts¹²⁰.

4.4.2. Transparency

Improving transparency is a priority for EuropeAid. In 2014, it continued its financial support to the International Aid Transparency Initiative (IATI), and is represented on its steering committee. EuropeAid continued to progressively implement the common standard (based on OECD and IATI processes) and it publishes regularly to IATI. In the last edition of the Aid Transparency Index, EuropeAid improved its score, ranking now in the 'good' category as 13th out of 67 donors. Continuous support is provided to the EU Aid Explorer which was formally launched at the High Level Meeting of the Global Partnership for Effective Development Cooperation in Mexico in April 2014.

The EU Aid Explorer is a unique new web tool that provides easy access to clear, complete and accurate data on development and humanitarian aid. The tool covers the activities of different donors and offers quick answers to questions such as how much aid the EU gave or in which sectors EU Member States worked in a given year. By making data easily accessible, countries, beneficiaries, EU citizens and implementing partners can examine the use of donor funds - and donors themselves can improve coordination and effectiveness.

Together with EU Member States the Commission has agreed on the EU Transparency Guarantee to provide more and better aid information. EU Aid Explorer fulfils this need by making historic data available as infographics from the OECD and more recent data from the IATI registry, in addition to humanitarian data from OCHA FTS (United Nations Financial Tracking Service) and EDRIS (ECHO's European Emergency Disaster Response Information System).

¹²⁰ <https://euaidexplorer.ec.europa.eu/>

5. CHAPTER 5 - FINANCIAL ANNEX

5.1. Introduction to financial tables

This Annual Report provides an overview of policies, objectives and achievements in 2014. The tables and graphs which follow present the main data on EU development assistance in 2014 by country, region, or sector and per source of funding, such as the different instruments of EU external assistance.

The geographic cooperation with the ACP countries, is based on the Partnership Agreement with the ACP signatory states and is mainly financed, South Africa excepted, from the European Development Fund (EDF) which is separate from the EU budget. External assistance for other geographic areas and the thematic programmes with worldwide coverage are financed from the general EU budget.

Figure 5.1 shows the importance of external assistance in the overall expenditure of the European Commission. Defined as the resources used to foster programmes and projects outside the EU, external assistance accounted for 7 % of the total allocation in 2014 (general EU budget and EDF taken together).

A global overview of the sources of external assistance is given in Figure 5.2. A detailed breakdown of the budget by policy areas can be found in Table 5.3. A similar breakdown for the EDF is presented in Table 5.4.

The concept of Official Development Assistance (ODA) used throughout the tables and figures is that defined by the OECD's Development Assistance Committee (DAC). Not all EU external assistance can be reported as ODA. Whether an action, programme or project is classified as ODA or not depends on the recipient country and the purpose and content of the aid. Figure 5.5 shows the share of the EU's external assistance classified as ODA. In all, almost 90.3 % of EU aid committed in 2014 was considered reportable as ODA, indicating a continuing focus on development in external financial allocations.

Figures 5.6 and 5.7 show the evolution from 2006 to 2014 of external assistance and ODA. Figure 5.6 shows the commitments evolution of the main sources of funding: external assistance from the EU Budget and EDF, indicating the share managed by EuropeAid. Figure 5.7 shows the evolution of disbursements of ODA on a sectorial basis.

Figure 5.8 and Table 5.9 present the breakdown per region. For this breakdown, it is necessary to differentiate between bilateral and multilateral aid. Bilateral aid, as defined by the DAC, is direct cooperation by the Commission with a country (or region) where the Commission controls the activities and knows how, when and where the resources are being spent. Multilateral aid comprises direct contributions to the core funding of multilateral agencies, who report back to the Commission at a later stage on how the money was spent.

Figure 5.8 provides a breakdown of EU ODA per region. Asia tops the list (29 % of ODA) with, Sub-Saharan Africa the largest sub-regional recipients with 17% of total ODA in 2014. A more detailed breakdown, per country and region, in line with the

OECD/DAC recipient list, is presented in Table 5.10 (Commitments) and Table 5.11 (Disbursements).

Figure 5.12 focuses on ODA recipients classified under the four UN/OECD categories based on GNI. The table monitors disbursements in 2014 by DAC recipient and by main OECD sectors. One indicator shows ODA disbursement per capita.

It is also important to identify the main sectors of activities that receive support. Table 5.13 shows this breakdown of EU ODA per main sector as defined by the DAC.

A more detailed sector breakdown of ODA is provided in Table 5.14 for commitments and in Table 5.15 for payments.

Tables 5.16 and 5.17 give an overview of the ODA managed by EuropeAid, with a breakdown per sector and region. In these tables, the definition of region reflects the country groupings used in the EU instruments and corresponding budget structure.

Tables 5.18 and 5.19 show the sector breakdown of ODA per EU external assistance instrument and sub-component within the instruments, with the associated Figure 5.20 providing a closer look.

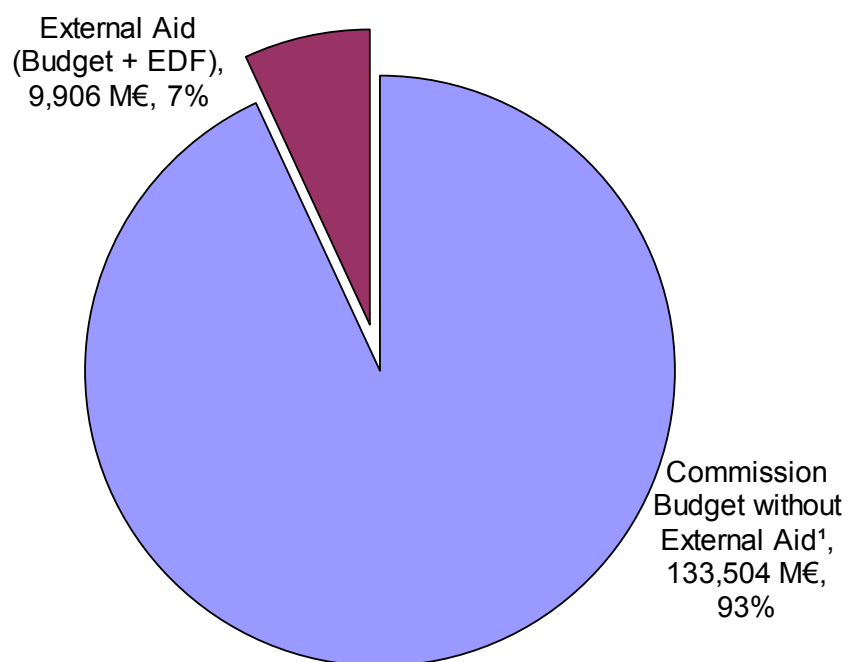
Table 5.21 focuses on budget support commitments in 2014 by EU instruments.

Finally, Tables 5.22 and 5.23 provides an overview of the breakdown by country and instrument in terms of payments and disbursements respectively.

Please note that where references are made in the following tables to 'EU budget', this refers to the budget managed by the European Commission and does not cover EU Member States' national budgets for development assistance.

5.2. Financial tables

Table 5.1 Percentage of EU budget committed on external assistance in 2014

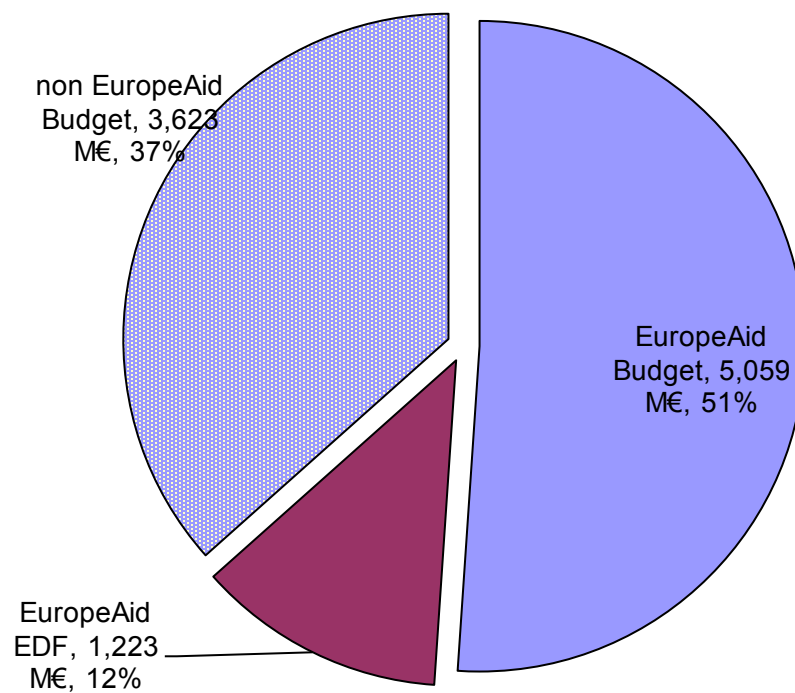


Commitments in € million

Commission Budget without External Aid¹	133,504 M€
External Aid (Budget + EDF)	9,906 M€
Commission Budget + EDF	143,410 M€

¹ Estimate

Table 5.2 Sources of external assistance in 2014



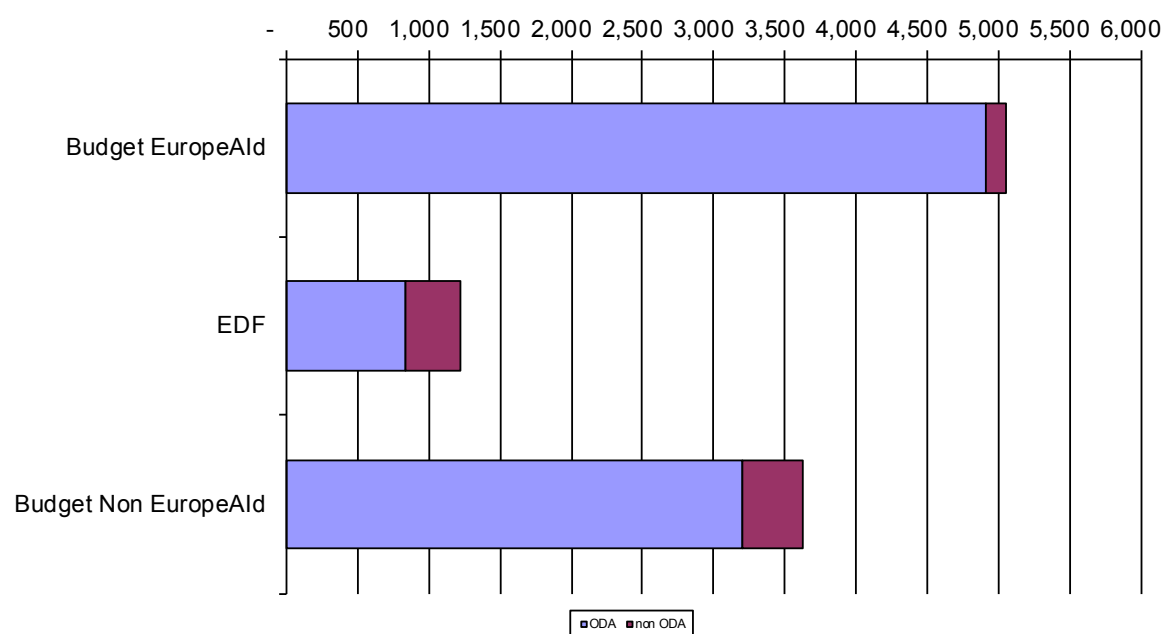
Commitments (€ Million)	
EuropeAid Budget	5,059 M€
EuropeAid EDF	1,223 M€
non EuropeAid Budget	3,623 M€
External Aid (Budget + EDF)	9,906 M€

Table 5.3 General EU budget for external assistance in 2014									
Heading / Policy Area	Description	Total		Managed by EuropeAid		Managed by other DG's		of which ODA	
		Commit.	Disbursements (1)	Commit.	Disbursements (1)	Commit.	Disbursements (1)	Commit.	Disbursements (1)
4 01 - ECFIN	International economic and financial affairs	96.61	58.61			96.61	58.61	38.00	
4 04 - EMPL	Instrument for Pre-Accession Assistance — Employment, Social Policies and Human Resources Development		62.53				62.53		62.53
4 05 - AGRI	Instrument for Pre-Accession Assistance — Agriculture and Rural Development	1.81	160.53			1.81	160.53		141.56
4 07 - ENV	Contribution to multilateral and international environment agreements	3.05	3.84			3.05	3.84	0.20	0.20
4 13 - REGIO	Instrument for Pre-Accession Assistance — Regional development and regional and territorial cooperation		256.81				256.81		210.99
4 14 - TAXUD	Customs cooperation and international assistance	1.19	1.07			1.19	1.07	1.19	1.07
4 15 - EAC	European Training Foundation (ETF)	20.14	20.14			20.14	20.14		
4 17 - SANCO	International agreements and membership of international organisations	0.33	0.33			0.33	0.33		
4 19 - FPI	Instrument contributing to Stability and Peace — Crisis response, conflict prevention, peace- building and crisis preparedness	188.06	200.94			188.06	200.94	185.48	196.33
4	Common foreign and security policy (CFSP)	304.69	263.45			304.69	263.45	294.03	254.42
4	Election Observation Missions (EIDHR)	43.46	31.02			43.46	31.02	41.41	30.20
4	Cooperation with third countries under the Partnership Instrument (PI)	115.93	21.62			115.93	21.62		
4	Information outreach on the European Union external relations	11.31	12.73			11.31	12.73	1.47	1.66
4 20 - TRADE	Trade policy	13.70	11.97			13.70	11.97	4.36	3.49
4 21 - DEV	Development cooperation instrument (DCI)	2,273.11	1,699.33	2,172.78	1,698.84	100.34	0.49	2,206.24	1,663.45
4	European Neighbourhood Instrument (ENI)	2,302.40	1,623.73	2,195.64	1,622.09	106.77	1.64	2,238.70	1,587.31
4	European Instrument for Democracy and Human Rights	132.78	128.16	132.78	127.99		0.17	132.78	119.66
4	Instrument for Stability (IfS) — Global and trans- regional threats	82.26	48.16	82.26	48.16			0.01	46.59
4	Instrument for Nuclear Safety Cooperation (INSC)	29.35	46.85	29.35	46.85			29.35	44.25
4	The European Union-Greenland partnership	24.57	17.04	24.57	17.04				
4	Development and cooperation worldwide	37.15	24.80	37.15	24.80			37.15	24.30
4	Completion of actions implemented under Industrialised Countries Instrument (ICI+) Programme	0.00	11.66	0.00	11.66			0.00	4.08
4 22 - ELARG	Enlargement process and strategy	1,317.49	787.54			1,317.49	787.54	1,291.37	751.73
4	Aid Regulation	32.96	21.02			32.96	21.02		
4 23 - ECHO	Humanitarian aid, food assistance and disaster preparedness	1,093.84	1,358.43			1,093.84	1,358.43	1,075.50	1,342.48
4	The Union Civil Protection Mechanism	15.39	4.19			15.39	4.19	15.08	3.99
4	Union Aid Volunteers	12.15	0.72			12.15	0.72	12.15	0.72
4 34 - CLIMA	Contribution to multilateral and international climate agreements	0.78	0.78			0.78	0.78		
4+5	Administrative expenditure of External assistance (2)	528.42	522.70	384.96	382.18	143.46	140.52	505.20	499.97
TOTAL		8,682.94	7,400.69	5,059.48	3,979.62	3,623.45	3,421.07	8,109.65	6,990.96
(1) Before recoveries									
(2) Includes administrative cost of EDF management charged to heading 5.									
Total ODA (Budget + EDF) administrative cost (from headings 4 & 5 and EDF adm. envelope) shown in tables 5.14 & 5.15									
(3) Breakdown by budget line of external aid financed on the general Commission budget in 2013. (Amount in € million)									

Table 5.4 European Development Fund (EDF) in 2014

Instruments (1)	Commitments (2)	Disbursements (3)	Of Which ODA	
			Commitments (2)	Disbursements (3)
Lomé				
NIP / RIP Grants	-	12	-	12
Aid for Refugees	-	-	-	-
Stabex	1	3	1	3
Risk Capital	-	0	-	0
SYSMIN	-	-	-	-
Heavily indebted poor countries	-	-	-	-
Use of interest (Lomé)	-	-	-	-
Transfer 6th EDF	-	-	-	-
Transfer 7th EDF	-	0	-	0
Total Lomé	1	15	1	15
Cotonou				
A Envelope - Programmable Aid	458	2,062	458	2,032
Envelope B - unforeseen	83	325	83	315
Regional projects	103	407	103	406
Intra ACP	413	630	88	302
Co financing A Envelope	62	30	-	-
Other	-	-	-	-
Implementation expenditure + Congo Rep. Dem.	104	112	104	111
Total Cotonou	1,222	3,566	835	3,164
Grand total EDF	1,223	3,581	836	3,180
Breakdown by instrument of development assistance financed on the European Development Fund (EDF) in 2014 (amount in € million).				
(1) Except The Investment Facility (10th EDF) managed by the EIB				
(2) Commitments 2014 have been calculated following DAC procedures :				
Total commitments made in 2014 reduced by decommitments made on projects committed in 2014				

Table 5.5 Proportion of external assistance used for Official Development Aid (ODA).

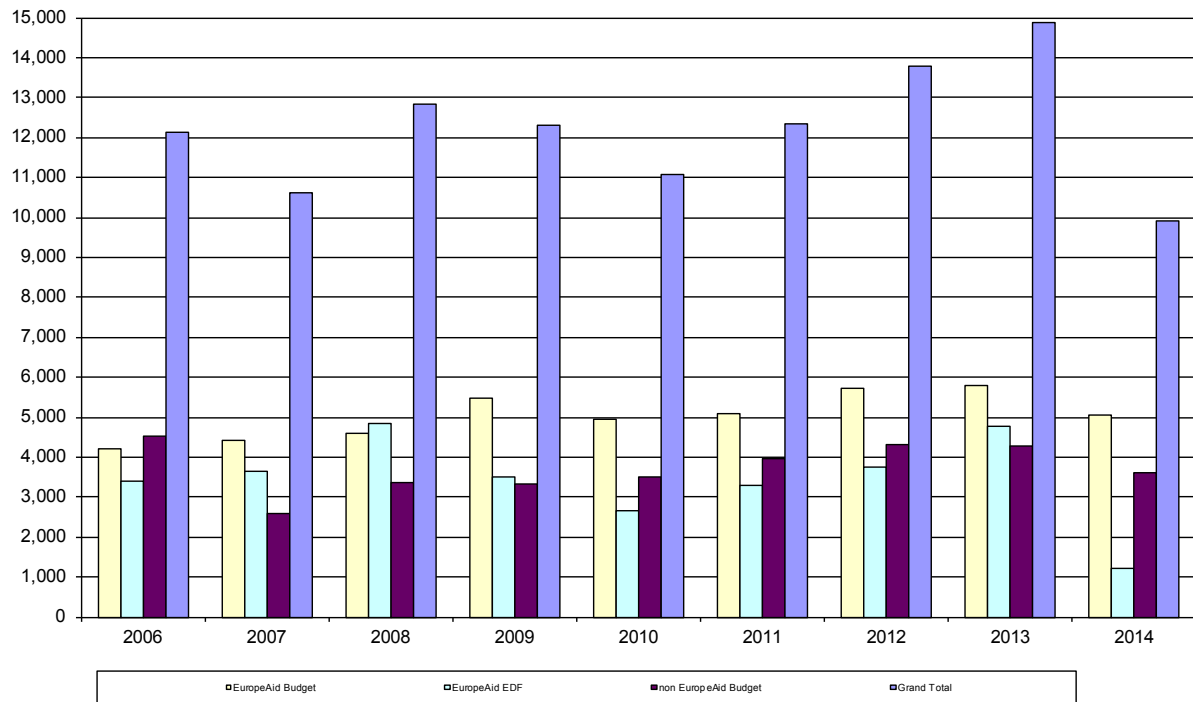


Commitments in € million

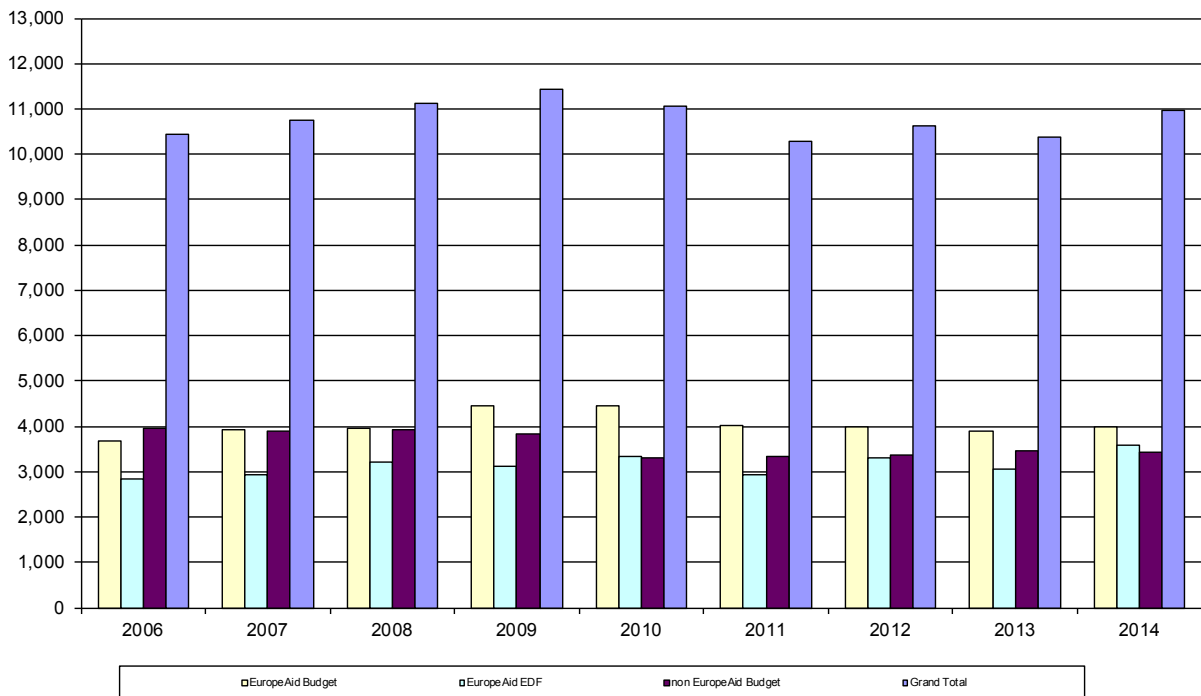
	ODA	non ODA	Total
Budget EuropeAid	4,912	147	5,059
EDF	836	387	1,223
Budget Non EuropeAid	3,197	426	3,623
Total	8,946	960	9,906

Table 5.6 2006-2014 External assistance

Commitments in € million



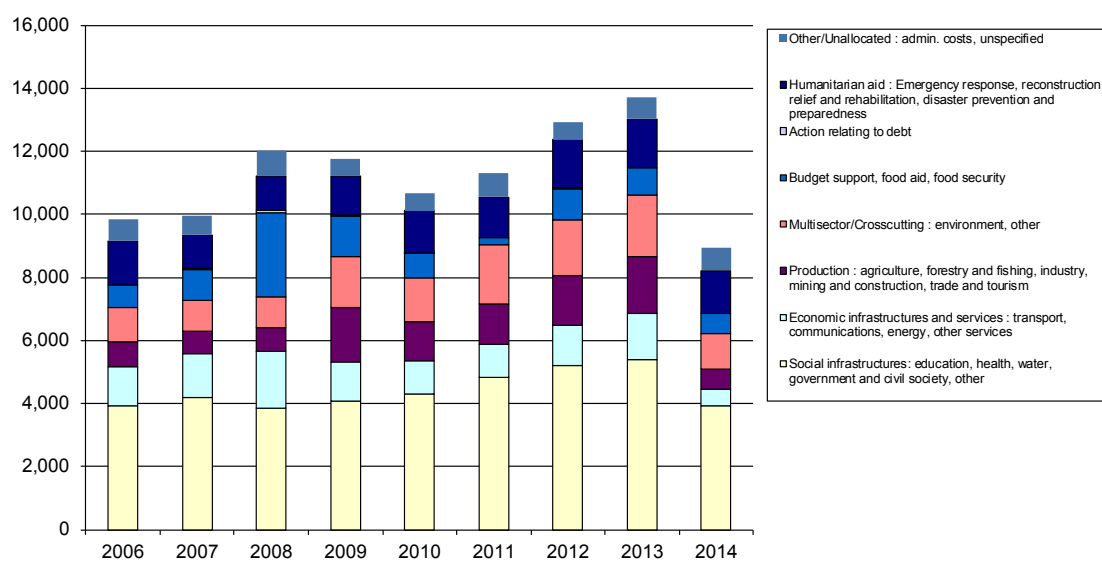
Disbursements in € million



External aid financed on the general Commission budget and the European Development Fund (EDF) managed by EuropeAid.
Bilateral and multilateral ODA / other flows.

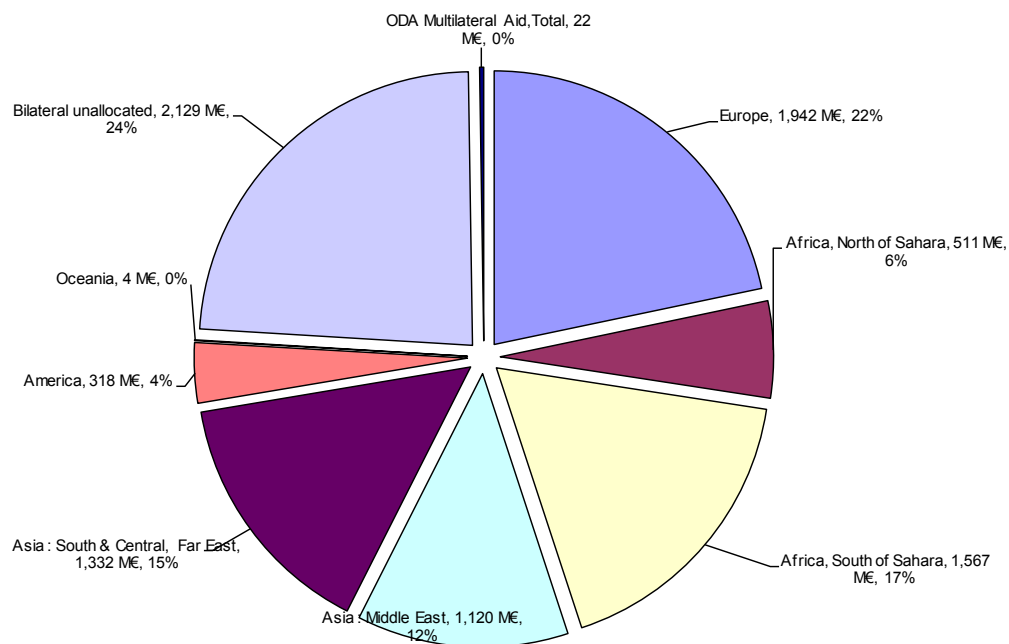
Table 5.7 Sectoral breakdown of Official Development Assistance (ODA) 2006 - 2014

Commitments in € million



Bilateral and multilateral ODA flows.

Table 5.8 Regional distribution of aid to developing countries (ODA) in 2014



Commitments in € million

(€ Million)	Grand total		Managed by EuropeAid		Managed by Other DG's	
	Commitment	Disbursements	Commitment	Disbursements	Commitment	Disbursements
Region (1)	s	ts	s	ts	s	nts
Europe	1,942	1,888	494	594	1,448	1,293
Africa, North of Sahara	511	474	469	440	43	34
Africa, South of Sahara	1,567	3,968	976	3,239	591	730
Asia : Middle East	1,120	946	744	496	376	450
Asia : South & Central, Far East	1,332	1,101	1,019	790	313	311
America	318	704	275	630	43	73
Oceania	4	73	3	71	2	3
Bilateral unallocated	2,129	972	1,752	733	377	238
ODA Multilateral Aid, Total	22	45	17	41	5	4
TOTAL ODA	8,946	10,171	5,749	7,034	3,197	3,137

(1) Following OECD region.

Cfr tables "Country breakdown of EC Development Aid in 2014".

Table 5.9 Regional distribution of aid to developing countries (ODA) 2009-2014

Commitments in € million						
	2009	2010	2011	2012	2013	2014
Europe	2,030	2,230	2,269	2,354	2,487	1,942
Africa	4,577	3,230	3,975	4,807	5,302	2,079
	North Of Sahara	618	673	793	705	511
	South Of Sahara	3,929	2,500	3,151	3,956	4,523
	Regional	30	57	146	74	358
America	899	934	716	815	899	318
	North & Central	621	609	445	525	125
	South	260	257	246	184	160
	Regional	19	68	25	106	33
Asia	2,043	2,063	2,000	2,202	2,522	2,452
	Middle East	669	652	663	789	1,187
	South & Central	1,024	948	1,099	1,194	927
	Far East	295	363	158	140	329
	Regional	56	99	79	80	79
Oceania	89	116	19	103	239	4
Bilateral unallocated	2,000	1,761	2,134	2,494	2,149	2,129
ODA Multilateral Aid, Total	125	325	210	155	127	22
TOTAL ODA	11,764	10,658	11,323	12,930	13,725	8,946
Disbursements in € Million						
	2009	2010	2011	2012	2013	2014
Europe	1,720	1,507	1,437	1,430	1,526	1,888
Africa	4,111	4,161	3,939	4,401	3,896	4,442
	North Of Sahara	610	537	517	503	331
	South Of Sahara	3,478	3,563	3,170	3,727	3,371
	Regional	23	61	252	171	194
America	809	973	721	731	719	704
	North & Central	441	666	421	422	384
	South	348	287	270	292	296
	Regional	20	21	30	17	38
Asia	1,854	1,845	1,868	1,776	1,993	2,047
	Middle East	617	596	507	594	895
	South & Central	908	935	996	821	823
	Far East	266	267	315	299	218
	Regional	63	47	49	62	57
Oceania	59	91	85	70	72	73
Bilateral unallocated	955	1,084	916	889	878	972
ODA Multilateral Aid, Total	292	179	248	238	178	45
TOTAL ODA	9,800	9,841	9,213	9,535	9,262	10,171

Bilateral and multilateral ODA flows.

(1) Following OECD region.

Cfr table "Country breakdown of EC Development Aid in 2014".

Table 5.10 Country breakdown of European Commission development aid in 2014

Commitments (EUR Million)

Country/Region	Budget EuropeAid	Budget non EuropeAid	EDF	Grand Total
Part I : Developing Countries & Territories (ODA)				
Europe, Total	494,21	1.447,91		1.942,12
Albania		67,63		67,63
Belarus	19,00			19,00
Bosnia and Herzegovina		87,76		87,76
Kosovo (1)		158,72		158,72
fYRoM		77,62		77,62
Republic of Moldova (2)	131,00			131,00
Montenegro		36,52		36,52
Serbia		192,58		192,58
Turkey		571,76		571,76
Ukraine	250,20	43,08		293,28
States of ex-Yugoslavia unspecif.				
Europe, Regional	94,01	212,23		306,24
Africa, Total	756,26	633,97	688,37	2.078,60
North Of Sahara, Total	468,60	42,75		511,35
Algeria	26,50	10,00		36,50
Egypt	32,74	0,01		32,75
Libya	8,00	32,73		40,73
Morocco	170,00			170,00
Tunisia	169,00			169,00
North Of Sahara, Regional	62,37			62,37
South Of Sahara, Total	106,68	476,24	626,37	1.209,30
Angola				
Benin				
Botswana				
Burkina Faso			0,00	0,00
Burundi			61,70	61,70
Cameroon		3,00		3,00
Cape Verde			3,00	3,00
Central African Rep.		33,15	129,00	162,15
Chad		45,50	10,00	55,50
Comoros				
Congo, Dem. Rep.	0,00	69,66	47,00	116,66
Congo, Rep.				
Cote d'Ivoire		2,00		2,00
Djibouti		19,95		19,95
Equatorial Guinea				
Eritrea				
Ethiopia		32,32	10,00	42,32
Gabon				
Gambia				
Ghana				
Guinea		0,02		0,02

Guinea-Bissau		24,95		24,95
Kenya	22,22			22,22
Lesotho				
Liberia	0,00			0,00
Madagascar		82,00		82,00
Malawi				
Mali	0,27	38,50		38,77
Mauritania		1,82		1,82
Mauritius				
Mozambique				
Namibia				
Niger	11,00	9,19	2,00	22,19
Nigeria		12,58	25,00	37,58
Rwanda	4,00			4,00
St.Helena				
Sao Tome & Principe				
Senegal		0,00	20,90	20,90
Seychelles	3,00			3,00
Sierra Leone				
Somalia		51,44	10,00	61,44
South Africa	26,00			26,00
Sudan		69,86		69,86
South Sudan		66,36	30,00	96,36
Swaziland			2,00	2,00
Tanzania	4,00			4,00
Togo			4,00	4,00
Uganda			3,00	3,00
Zambia			64,00	64,00
Zimbabwe				
South Of Sahara, Regional	58,41	0,50	96,00	154,91
Africa, Regional	180,98	114,98	62,00	357,96
America, Total	270,32	42,58	5,00	317,90
North & Central, Total	90,26	29,55	5,00	124,81
Antigua & Barbuda				
Belize				
Costa Rica				
Cuba				
Dominica				
Dominican Republic				
El Salvador		0,01		0,01
Grenada				
Guatemala	25,66			25,66
Haiti	5,00	18,50	5,00	28,50
Honduras	51,60			51,60
Jamaica				
Mexico				
Montserrat				
Nicaragua	8,00			8,00
Panama				
St.Lucia				
St.Vincent & Grenadines				

West Indies, Regional				
N. & C. America, Regional		11,04		11,04
South, Total	146,63	13,03		159,66
Argentina				
Bolivia	102,63			102,63
Brazil				
Chile				
Colombia	1,65	13,03		14,68
Ecuador				
Guyana				
Paraguay	1,98			1,98
Peru				
Suriname				
Uruguay				
Venezuela				
South America, Regional	40,37			40,37
America, Regional	33,42			33,42
Asia, Total	1.758,31	688,94	5,00	2.452,25
Middle East, Total	743,88	375,94		1.119,81
Iran		9,45		9,45
Iraq	1,50	53,00		54,50
Jordan	174,50			174,50
Lebanon	143,33	0,03		143,35
Occupied Palestinian territory	307,00	54,42		361,42
Syria	59,05	223,04		282,09
Yemen	51,00	36,01		87,01
Middle East, Regional	7,50			7,50
South & Centr. Asia, Total	795,32	313,00		1.108,33
Afghanistan	207,50	90,40		297,90
Armenia	19,00			19,00
Azerbaijan	21,00			21,00
Bangladesh	31,00	13,50		44,50
Bhutan				
Georgia	131,00	41,31		172,31
India		6,00		6,00
Kazakhstan				
Kyrgyz Rep.	30,00	15,00		45,00
Maldives		0,75		0,75
Myanmar (Burma)	120,00			120,00
Nepal	22,65	1,30		23,95
Pakistan	97,50	52,73		150,23
Sri Lanka	14,00			14,00
Tajikistan	35,07			35,07
Turkmenistan				
Uzbekistan	20,00			20,00
Central Asia, Regional	21,60	61,00		82,60
South Asia, Regional	25,00	31,03		56,03
South & Central Asia, Regional				
Far East, Total	168,20		5,00	173,20
Cambodia	50,00			50,00
China				

Indonesia				
Korea, Dem.				
Laos				
Malaysia				
Mongolia	8,20			8,20
Philippines	76,00			76,00
Thailand	0,00			0,00
Timor-Leste		5,00		5,00
Viet Nam	14,00			14,00
Far East Asia, Regional	20,00			20,00
Asia, Regional	50,91			50,91
Oceania, Total	1,90	1,50	1,00	4,40
Cook Islands				
Fiji				
Kiribati				
Marshall Islands				
Micronesia, Fed. Sts.				
Nauru				
Niue				
Palau				
Papua New Guinea		1,50		1,50
Samoa				
Solomon Islands		0,00		0,00
Tokelau				
Tonga		1,00		1,00
Tuvalu				
Vanuatu				
Wallis & Futuna				
Oceania, Regional	1,90			1,90
Bilateral unallocated	1.614,65	377,41	136,92	2.128,99
Part I (ODA) Bilateral, Total	4.895,66	3.192,31	836,30	8.924,26
Public Private Partnerships				
United Nations	16,57	0,50		17,06
UNRWA				
UNDP				
WFP				
WHO				
FAO	0,33			0,33
International Monetary Fund (IMF)				
World Bank Group				
World Trade Organisation		3,35		3,35
Regional Development Banks				
Other Multilateral Institutions		1,27		1,27
GFTAM				
Others				
Part I (ODA) Multilateral Aid, Total	16,57	5,12		21,68
Part I (ODA), Total	4.912,22	3.197,43	836,30	8.945,95
Part II: Countries and Territories in Transition (non ODA)				

More Advanced Developing Countries	264,75	264,75
Anguilla		
Aruba		
Bahamas		
Bahrain		
Barbados		
Bermuda		
Brunei		
Cayman Islands		
Falkland Islands		
French Polynesia		
Gibraltar		
Hong Kong, China		
Israel		
Korea		
Kuwait		
Macao		
Mayotte		
Netherlands Antilles		
New Caledonia		
Oman		
Pitcairn Islands	0,72	0,72
Qatar		
Saint Pierre and Miquelon		
Saudi Arabia		
St.Kitts-Nevis		
Singapore		
Taiwan		
Trinidad & Tobago		
Turks & Caicos Islands		
United Arab Emirates		
Virgin Islands (UK)		
MADCT Unallocated	264,03	264,03
CEEC's/NIS	24,57	33,27
Bulgaria		
Croatia	0,31	0,31
Cyprus	32,96	32,96
Czech Republic		
Estonia		
Greenland	24,57	24,57
Hungary		
Iceland		
Latvia		
Lithuania		
Malta		
Poland		
Romania		
Russia		
Slovak Republic	0,00	0,00
Slovenia		
Europe Unallocated		

CEECs Unallocated				
Part II (Non-OA) Bilateral Aid, Total	24,57	298,02		322,59
EBRD				
Part II (non-ODA) Multilateral Aid, Total				
Part II (non-ODA), Total	24,57	298,02		322,59
Grand Total Part I & Part II	4.936,79	3.495,46	836,30	9.268,54

Breakdown by country/region of external aid financed on the general Commission budget and the European Development Fund (EDF) in 2014.

Bilateral and multilateral ODA / non-ODA countries.

(1) UNSCR 1244/99

(2) henceforth Moldova

Table 5.11 Country breakdown of European Commission development aid in 2014

Disbursements (EUR Million)

Country/Region	Budget EuropeAid	Budget non EuropeAid	EDF	Grand Total
Part I : Developing Countries & Territories (ODA)				
Europe, Total	593,99	1.293,41	0,15	1.887,55
Albania	0,69	74,21		74,91
Belarus	19,40	1,41		20,82
Bosnia and Herzegovina	2,07	105,33		107,40
Kosovo (1)	0,77	191,69		192,46
fYRoM	0,94	65,77		66,71
Republic of Moldova (2)	98,30	0,12		98,42
Montenegro	0,65	28,53		29,19
Serbia	1,38	143,50		144,88
Turkey	3,19	511,21		514,40
Ukraine	331,61	28,12		359,72
States of ex-Yugoslavia unspecif.		0,24		0,24
Europe, Regional	134,99	143,27	0,15	278,40
Africa, Total	842,43	763,62	2.836,32	4.442,37
North Of Sahara, Total	440,14	34,01	0,01	474,17
Algeria	34,58	10,31		44,90
Egypt	97,92	4,96		102,88
Libya	12,61	16,27		28,88
Morocco	80,94			80,94
Tunisia	179,33	2,48		181,81
North Of Sahara, Regional	34,75		0,01	34,77
South Of Sahara, Total	350,09	723,89	2.654,10	3.728,07
Angola	6,81		38,88	45,68
Benin	1,00	0,23	52,24	53,46
Botswana	0,30		30,45	30,75
Burkina Faso	7,63	21,65	120,99	150,26
Burundi	5,45	3,71	62,56	71,72
Cameroon	10,43	4,64	54,83	69,91
Cape Verde	1,95		14,06	16,01
Central African Rep.	2,48	29,12	92,63	124,23
Chad	3,48	45,92	59,35	108,75
Comoros	1,79	0,04	6,96	8,79
Congo, Dem. Rep.	21,08	75,46	76,47	173,00
Congo, Rep.	6,25	0,40	16,01	22,66
Cote d'Ivoire	18,48	10,39	72,39	101,26
Djibouti	0,08	14,33	5,04	19,46
Equatorial Guinea				
Eritrea	1,40		7,91	9,31
Ethiopia	6,88	53,76	151,52	212,16
Gabon	0,95		3,50	4,44
Gambia	1,41	1,69	8,23	11,34
Ghana	5,03	0,01	33,89	38,92

Guinea	1,29	10,97	28,84	41,10
Guinea-Bissau	3,17	2,21	17,16	22,54
Kenya	16,97	33,51	79,81	130,29
Lesotho	0,52	1,15	11,59	13,25
Liberia	4,07	2,75	55,03	61,85
Madagascar	6,29	3,09	102,27	111,66
Malawi	5,10	2,64	45,86	53,60
Mali	3,15	49,67	179,93	232,75
Mauritania	7,24	13,84	19,18	40,26
Mauritius	0,18		6,27	6,45
Mozambique	6,06	2,40	71,39	79,85
Namibia	1,85	0,20	20,13	22,18
Niger	6,53	59,74	130,55	196,82
Nigeria	0,72	18,43	73,30	92,45
Rwanda	3,07	3,04	62,25	68,35
St.Helena			5,00	5,00
Sao Tome & Principe	0,96		3,91	4,88
Senegal	1,86	12,90	54,26	69,02
Seychelles	0,77		0,08	0,85
Sierra Leone	6,79	0,59	51,19	58,58
Somalia	8,20	71,21	65,67	145,08
South Africa	41,28			41,28
Sudan	12,88	42,46	21,29	76,64
South Sudan	6,09	118,00	45,99	170,08
Swaziland	13,80	0,08	4,74	18,62
Tanzania	2,75	3,87	51,99	58,61
Togo	2,11	0,05	25,53	27,68
Uganda	9,78	4,02	85,23	99,03
Zambia	4,60	0,21	20,19	25,01
Zimbabwe	9,18	4,16	29,29	42,63
South Of Sahara, Regional	59,96	1,34	378,28	439,57
Africa, Regional	52,20	5,72	182,20	240,12
America, Total	424,01	73,40	206,25	703,66
North & Central, Total	187,82	50,80	190,89	429,51
Antigua & Barbuda	0,18	0,07	0,54	0,79
Belize	11,74		2,63	14,37
Costa Rica	5,94	0,31		6,25
Cuba	6,30	1,06		7,36
Dominica	2,25		1,44	3,68
Dominican Republic	6,01	1,64	32,86	40,51
El Salvador	10,40	3,25		13,65
Grenada		0,01	6,05	6,06
Guatemala	12,33	3,53		15,86
Haiti	10,03	30,23	82,63	122,90
Honduras	20,04	3,54		23,58
Jamaica	23,76	0,01	29,00	52,77
Mexico	10,17	0,36		10,53
Montserrat			4,28	4,28
Nicaragua	21,01	5,13		26,14
Panama	8,59	0,31		8,90
St.Lucia	0,18	0,01	2,77	2,97

St.Vincent & Grenadines	1,06	0,16	2,04	3,26
West Indies, Regional	1,46	0,52	25,46	27,44
N. & C. America, Regional	36,36	0,66	1,19	38,21
South, Total	200,29	22,59	15,36	238,24
Argentina	7,17	0,22		7,40
Bolivia	25,42	1,66		27,08
Brazil	12,10	0,64		12,74
Chile	17,35			17,35
Colombia	33,90	15,59		49,49
Ecuador	14,83	2,34		17,17
Guyana	1,33	0,01	15,30	16,64
Paraguay	10,82	0,49		11,31
Peru	24,72	0,58		25,29
Suriname	0,00	0,01	0,06	0,07
Uruguay	6,88			6,88
Venezuela	4,18	1,06		5,24
South America, Regional	41,56			41,56
America, Regional	35,90			35,90
Asia, Total	1.270,30	760,65	15,71	2.046,66
Middle East, Total	495,89	449,76		945,65
Iran	2,08	1,74		3,82
Iraq	10,65	50,12		60,77
Jordan	65,02	69,89		134,90
Lebanon	70,68	90,88		161,56
Occupied Palestinian territory	309,05	55,23		364,29
Syria	5,55	140,62		146,18
Yemen	12,52	41,18		53,71
Middle East, Regional	20,33	0,10		20,43
South & Centr. Asia, Total	563,25	260,96		824,21
Afghanistan	154,78	115,72		270,50
Armenia	35,30	2,75		38,05
Azerbaijan	8,91	0,20		9,11
Bangladesh	58,99	15,04		74,03
Bhutan	3,45	0,13		3,57
Georgia	45,73	15,40		61,13
India	50,16	9,07		59,23
Kazakhstan	8,39	0,81		9,20
Kyrgyz Rep.	22,22	3,56		25,77
Maldives	0,11	0,70		0,81
Myanmar (Burma)	23,34	29,54		52,88
Nepal	24,09	2,40		26,49
Pakistan	62,28	58,30		120,58
Sri Lanka	11,48	1,22		12,70
Tajikistan	13,58	2,37		15,95
Turkmenistan	3,15	0,27		3,42
Uzbekistan	5,17	0,60		5,78
Central Asia, Regional	22,66	1,13		23,79
South Asia, Regional	5,62	1,77		7,39
South & Central Asia, Regional	3,82			3,82
Far East, Total	170,94	49,93	15,71	236,58
Cambodia	36,52	5,02		41,54

China	25,46	0,06		25,51
Indonesia	17,99	0,78	0,01	18,77
Korea, Dem.	5,22	0,30		5,52
Laos	10,02	2,47		12,49
Malaysia	2,23			2,23
Mongolia	4,35	0,05		4,40
Philippines	27,10	34,00		61,10
Thailand	6,94	4,41		11,35
Timor-Leste	1,33	0,09	15,70	17,12
Viet Nam	26,19	2,76		28,95
Far East Asia, Regional	7,61			7,61
Asia, Regional	40,21			40,21
Oceania, Total	13,33	2,63	57,31	73,27
Cook Islands			1,00	1,00
Fiji	4,65	0,40	1,94	6,99
Kiribati			5,19	5,19
Marshall Islands		0,03	0,55	0,58
Micronesia, Fed. Sts.			0,39	0,39
Nauru			0,85	0,85
Niue			0,59	0,59
Palau			0,01	0,01
Papua New Guinea	1,27	1,46	8,12	10,85
Samoa	0,00	0,27	6,24	6,52
Solomon Islands	0,77	0,23	3,78	4,78
Tokelau				
Tonga	0,08	0,06	3,81	3,95
Tuvalu			1,21	1,21
Vanuatu	0,22	0,18	0,58	0,98
Wallis & Futuna			0,47	0,47
Oceania, Regional	6,32		22,57	28,89
Bilateral unallocated	684,33	238,40	49,05	971,78
Part I (ODA) Bilateral, Total	3.828,40	3.132,10	3.164,79	10.125,28
Public Private Partnerships				
United Nations	11,56	0,98		12,54
UNRWA	4,59			4,59
UNDP				
WFP				
WHO				
FAO	0,33	0,45		0,78
International Monetary Fund (IMF)				
World Bank Group				
World Trade Organisation		1,87		1,87
Regional Development Banks	13,54			13,54
Other Multilateral Institutions	0,91	1,60	15,00	17,51
GFTAM			15,00	15,00
Others				

Part I (ODA) Multilateral Aid, Total	26,01	4,45	15,00	45,46
				10.170,7
Part I (ODA), Total	3.854,41	3.136,55	3.179,79	5
Part II: Countries and Territories in Transition (non ODA)				
More Advanced Developing Countries	55,48	66,00	40,21	161,69
Anguilla			3,50	3,50
Aruba				
Bahamas				
Bahrain	0,00			0,00
Barbados	0,54		8,41	8,95
Bermuda				
Brunei				
Cayman Islands				
Falkland Islands			0,16	0,16
French Polynesia			8,21	8,21
Gibraltar				
Hong Kong, China	0,02			0,02
Israel	9,62	5,30		14,92
Korea				
Kuwait				
Macao				
Mayotte			8,25	8,25
Netherlands Antilles			0,41	0,41
New Caledonia			0,06	0,06
Oman				
Pitcairn Islands	0,23	0,72		0,95
Qatar				
Saudi Arabia				
Saint Pierre and Miquelon			4,14	4,14
Singapore				
St. Kitts-Nevis	9,54		0,77	10,31
Taiwan	0,20			0,20
Trinidad & Tobago	8,20	0,01	3,77	11,98
Turks & Caicos Islands			5,60	5,60
United Arab Emirates				
Virgin Islands (UK)				
MADCT Unallocated	27,12	59,97	0,43	87,52
CEEC's/NIS	32,05	99,03		131,08
Bulgaria	0,48	8,43		8,90
Croatia	0,19	28,79		28,98
Cyprus	0,04	21,02		21,06
Czech Republic				
Estonia	0,04	0,00		0,04
Greenland	17,04			17,04
Hungary	0,12	0,33		0,45
Iceland		2,56		2,56
Latvia	0,04			0,04
Lithuania	0,05			0,05
Malta	0,03			0,03

Poland	0,03	10,82		10,85
Romania		26,82		26,82
Russia	13,93			13,93
Slovak Republic	0,06	0,01		0,07
Slovenia		0,25		0,25
Europe Unallocated				
CEECs Unallocated				
Part II (Non-OA) Bilateral Aid, Total	87,53	165,03	43,71	296,27
EBRD				
Part II (non-ODA) Multilateral Aid, Total				
Part II (non-ODA), Total	87,53	165,03	43,71	296,27
Grand Total Part I & Part II	3.941,94	3.301,58	3.223,50	10.467,02
Breakdown by country/region of external aid financed on the general Commission budget and the European Development Fund (EDF) in 2014.				
Bilateral and multilateral ODA / non-ODA countries.				
(1) UNSCR 1244/99				
(2) henceforth Moldova				

Table 5.12 ODA Recipient by main OECD sector in 2014

Disbursements in EUR million

	ODA per Capita (Euro / Capita) (1)	Total	Social Infrastructures	Economic Infrastructures & Services	Production	Multisector / Crosscutting	Budget Support, Food Aid, Food Security	Action relating to debt	Humanitarian Aid	Other / Unallocated
Least Developed Countries (LDC)										
Afghanistan	9,53	270,50	185,18		27,67	19,78	3,10		34,00	0,78
Angola	2,34	45,68	29,53	0,50	2,41	7,03			5,96	0,25
Bangladesh	0,49	74,03	28,56	0,04	8,30	13,10	3,75		20,26	0,02
Benin	5,62	53,46	27,97	10,07	2,75	0,00	12,44		0,23	
Bhutan	4,98	3,57	0,06		0,50	2,89			0,12	
Burkina Faso	9,67	150,26	37,00	28,54	0,09	4,33	59,15		21,16	
Burundi	7,77	71,72	15,50	22,40	11,13	1,17	16,46		4,86	0,20
Cambodia	2,89	41,54	19,74	0,77	8,15	7,82			5,02	0,04
Central African Rep.	28,56	124,23	13,03	4,74	1,44	45,66	30,13		29,23	
Chad	9,28	108,75	33,35	10,03	0,51	14,28	1,22		48,80	0,56
Comoros	12,87	8,79	3,98	4,39	0,06	0,32			0,04	0,00
Congo, Dem. Rep.	2,78	173,00	53,48	36,84	12,25	5,87			64,30	0,28
Djibouti	23,33	19,46	16,24		0,11	0,04			2,96	0,11
Equatorial Guinea	-									
Eritrea	1,62	9,31	5,40	0,81	2,69	0,41				0,01
Ethiopia	2,44	212,16	81,22	31,42	2,25	15,36	32,70		49,09	0,11
Gambia	6,75	11,34	1,49	7,13		1,03			1,69	
Guinea	3,78	41,10	14,77	18,32	0,74	0,04	0,51		6,71	
Guinea-Bissau	14,21	22,54	7,85	1,45	2,55	0,59	10,00		0,09	0,00
Haiti	12,42	122,90	20,19	22,56	6,45	10,98	36,17		26,29	0,26
Kiribati	53,07	5,19	2,31	1,24		1,63				
Laos	1,95	12,49	4,36		3,06	1,82	0,78		2,47	

Lesotho	6,59	13,25	10,95	0,01	0,06	0,07	0,25	1,91	
Liberia	15,63	61,85	30,48	15,60	1,91	0,70	9,80	2,67	0,69
Madagascar	5,30	111,66	19,39	9,57	14,40	0,55	65,00	2,55	0,20
Malawi	3,57	53,60	26,22	2,51	7,58	14,30	1,75	1,24	
Mali	16,64	232,75	60,72	15,03	14,36	0,46	97,99	44,13	0,05
Mauritania	11,15	40,26	10,26	7,47	1,48	3,98	3,44	13,63	
Mozambique	3,33	79,85	13,13	18,87	2,30	0,73	41,64	2,52	0,64
Myanmar (Burma)	1,02	52,88	19,14	0,50	1,23	2,68	1,13	28,16	0,04
Nepal	0,99	26,49	18,65	0,44	2,28	2,22	0,49	2,37	0,05
Niger	12,38	196,82	57,46	34,78	2,50	4,16	55,35	42,31	0,26
Rwanda	6,31	68,35	29,31	29,78	5,75	0,53		2,98	0,01
Samoa	35,05	6,52	5,91			0,33		0,27	
Sao Tome & Principe	27,36	4,88	0,88	3,43	0,56				
Senegal	5,33	69,02	17,25	4,95	2,30	34,47	0,10	9,96	
Sierra Leone	10,18	58,58	21,26	8,56	2,13	2,09	23,92	0,59	0,02
Solomon Islands	9,09	4,78	3,99	0,11	0,00	0,38		0,23	0,07
Somalia	15,06	145,08	50,93	8,92	9,99	5,96	2,72	66,54	0,02
South Sudan	17,11	170,08	25,73	0,13	11,52	0,08	5,32	127,29	0,01
Sudan	2,15	76,64	20,90		5,80	5,63	6,97	37,30	0,05
Tanzania	1,30	58,61	27,53	17,48	5,49	1,52	1,63	4,94	0,02
Timor-Leste	15,86	17,12	9,10	0,17	2,96	3,90	0,79		0,19
Togo	4,39	27,68	9,89		0,53	17,02		0,01	0,24
Tuvalu	123,48	1,21	0,15	1,07					
Uganda	2,91	99,03	19,46	41,99	10,09	1,24	21,90	4,02	0,32
Vanuatu	4,15	0,98	0,43		0,15	0,21		0,18	0,02
Yemen	2,36	53,71	10,00	0,11	1,39		0,46	40,11	1,63
Zambia	1,89	25,01	13,25	6,85	4,20	0,43	0,02	0,21	0,06
South Of Sahara, Regional - LDC's									
Asia, Regional - LDC's									
Total Least Developed Countries	3,98	3.338,72	1.133,60	429,57	204,07	257,81	547,06	759,40	7,21

Other Low Income Countries (OLIC)									
Kenya	3,18	130,29	9,52	39,27	23,13	9,75	0,07	48,47	0,07
Korea, Dem.	0,23	5,52	1,30				3,92	0,30	
Kyrgyz Rep.	4,83	25,77	21,05	2,33	0,14	1,34		0,91	
Tajikistan	2,09	15,95	11,68	0,15	0,76	0,80	0,51	1,89	0,16
Zimbabwe	3,26	42,63	27,11	2,39	7,73	2,46	0,09	2,81	0,03
Total Other Low Income Countries	2,41	220,16	70,67	44,14	31,77	14,35	4,59	54,39	0,26
Lower Middle Income Countries (LMIC)									
Armenia	12,84	38,05	18,50	5,02	0,27	6,36	5,22	2,61	0,06
Belize	46,56	14,37	0,66	0,49	9,51	3,70			
Bolivia	2,67	27,08	12,35	0,40	7,54	6,00		0,78	0,00
Cameroon	3,39	69,91	10,18	21,61	22,86	7,92		7,15	0,18
Cape Verde	32,83	16,01	2,35	1,52	0,22	0,16	11,72		0,03
Congo, Rep.	5,51	22,66	5,60	11,71	2,01	2,82		0,46	0,06
Cote d'Ivoire	5,34	101,26	31,63	19,89	26,54	0,12	18,19	4,88	0,01
Egypt	1,32	102,88	68,74	3,07	7,25	23,82			0,01
El Salvador	2,20	13,65	8,30		2,12	0,43		2,80	
Fiji	8,12	6,99	4,51	0,06	2,31			0,10	0,01
Georgia	13,93	61,13	40,92	0,49	12,52	1,15		5,60	0,45
Ghana	1,60	38,92	12,05	22,39	4,00	0,27	0,20	0,01	0,01
Guatemala	1,11	15,86	6,76	0,03	2,00	0,17	3,38	3,53	
Guyana	21,17	16,64	7,52	7,50	0,77	0,79		0,01	0,05
Honduras	3,09	23,58	5,90	0,05	5,57	0,91	7,84	3,31	
India	0,05	59,23	44,66	2,72	1,62	0,84		8,92	0,48
Indonesia	0,08	18,77	8,52	0,14	7,36	1,94		0,78	0,04
Iraq	1,96	60,77	15,83		0,00	0,92		43,92	0,10
Kosovo (2)	105,71	192,46	149,96	15,88	6,13	6,56	0,49	9,65	3,79
Marshall Islands	11,09	0,58	0,55					0,03	
Micronesia, Fed. Sts.	3,78	0,39	0,10	0,29					
Republic of Moldova	27,54	98,42	62,33	12,94	21,87	0,44			0,84

Mongolia	1,62	4,40	1,33	0,20	2,60	0,00		0,25	0,01
Morocco	2,56	80,94	45,91	0,67	31,25	2,68			0,42
Nicaragua	4,49	26,14	10,06	0,59	7,95	1,82	1,04	4,54	0,14
Nigeria	0,58	92,45	63,69	7,25	0,19	9,61		11,71	0,01
Occupied Palestinian territory	90,78	364,29	214,75	0,40	4,01	9,02	3,83	130,85	1,43
Pakistan	0,70	120,58	30,54		2,11	24,97	5,18	56,77	1,01
Papua New Guinea	1,58	10,85	3,43	0,05	0,66	5,14		1,46	0,11
Paraguay	1,75	11,31	8,91	0,11	1,80			0,49	
Philippines	0,65	61,10	17,61	0,12	0,72	1,43		41,15	0,07
Sri Lanka	0,61	12,70	2,95	0,25		0,02		9,46	0,03
Swaziland	15,61	18,62	4,15	6,83	6,45	0,84	0,36		
Syria	6,79	146,18	8,10		0,04	0,27		120,57	17,20
Tokelau	-								
Tonga	37,98	3,95	0,33	3,35				0,06	0,22
Turkmenistan	0,68	3,42	1,77	0,50	0,83	0,00		0,27	0,05
Ukraine	7,81	359,72	67,26	18,60	6,07	9,01	250,00	7,78	0,99
Uzbekistan	0,21	5,78	4,23	0,92	0,15			0,48	
Viet Nam	0,33	28,95	20,10	0,63	3,90	0,90		2,76	0,67
Total Lower Middle Income Countries	0,99	2.350,99	1.023,07	166,67	211,20	131,00	307,44	483,12	28,49
Upper Middle Income Countries (UMIC)									
Albania	23,78	74,91	36,60	10,05	3,67	4,86	19,22		0,51
Algeria	1,21	44,90	26,08	1,58	4,79	1,43		10,21	0,80
Antigua & Barbuda	9,09	0,79	0,73					0,07	
Argentina	0,18	7,40	2,69		4,41	0,03	0,04	0,22	
Azerbaijan	1,00	9,11	7,70	0,47	0,48	0,42		0,05	
Belarus	2,19	20,82	10,95	4,00	0,99	2,90			1,98
Bosnia and Herzegovina	27,93	107,40	47,71	6,49	6,28	3,58		40,65	2,70
Botswana	15,61	30,75	29,30			1,36			0,09
Brazil	0,07	12,74	5,82	0,94	2,65	3,07		0,12	0,13
Chile	1,01	17,35	1,60	15,30		0,03			0,42

China	0,02	25,51	6,28	2,69	5,58	10,65		0,30	0,01
Colombia	1,07	49,49	29,11		1,04	5,94		13,40	
Cook Islands	49,42	1,00	1,00					0,00	
Costa Rica	1,34	6,25	4,33		1,61			0,31	
Cuba	0,65	7,36	2,06	1,09	1,45	1,70		1,06	
Dominica	51,72	3,68	0,53	0,03	1,89		1,23		
Dominican Republic	4,04	40,51	31,88	0,79	5,09	0,28	1,75	0,71	0,01
Ecuador	1,14	17,17	12,58	0,01	1,13	0,54	0,45	2,41	0,05
fYRoM	31,73	66,71	15,52	41,88	0,46	8,67	0,10		0,08
Gabon	2,85	4,44	1,40		1,61	1,42			0,00
Grenada	57,89	6,06	0,08				5,97	0,01	
Iran	0,05	3,82	1,98					1,81	0,03
Jamaica	19,25	52,77	26,04	0,10	25,70	0,91		0,01	0,01
Jordan	20,90	134,90	52,72	8,41	1,21	2,82		69,57	0,18
Kazakhstan	0,58	9,20	6,39		0,07	2,12		0,63	
Lebanon	37,22	161,56	62,78	1,25	15,53	2,99		78,88	0,13
Libya	4,78	28,88	26,28	1,20		0,03		0,35	1,03
Malaysia	0,08	2,23	0,02	0,18	1,12	0,91			
Maldives	2,50	0,81	0,70			0,11			
Mauritius	5,24	6,45	2,39		0,96	0,03	3,07		0,00
Mexico	0,09	10,53	4,87	1,02	4,25	0,03		0,36	
Montenegro	47,07	29,19	11,79	1,98	4,51	3,72	0,09	0,08	7,01
Montserrat	863,18	4,28					4,28		
Namibia	10,18	22,18	15,68	0,31	0,41	4,81		0,20	0,77
Nauru	84,91	0,85		0,85					
Niue	400,25	0,59		0,59					
Palau	0,44	0,01	0,01						
Panama	2,42	8,90	8,22	0,37				0,31	
Peru	0,86	25,29	16,80	0,22	3,99	3,34	0,36	0,58	0,00
Serbia	15,02	144,88	72,47	15,48	7,34	16,23	5,62	22,96	4,79
Seychelles	9,34	0,85	0,09			0,06	0,70		

South Africa	0,80	41,28	26,30	0,10	0,37	13,67			0,85
St.Helena	1.178,13	5,00				5,00			
St.Lucia	16,74	2,97	2,71		0,13	0,03		0,10	
St.Vincent & Grenadines	29,81	3,26	2,70	0,10	0,28	0,02		0,16	
Suriname	0,14	0,07	0,01	0,05				0,01	
Thailand	0,17	11,35	4,09		0,51	2,35		4,26	0,13
Tunisia	17,10	181,81	54,74	0,92	3,67	5,57	116,81	0,06	0,03
Turkey	7,13	514,40	113,35	96,06	141,47	133,41		28,72	1,39
Uruguay	2,04	6,88	6,19			0,41			0,29
Venezuela	0,18	5,24	3,59		0,26	0,12		1,27	
Wallis & Futuna	34,59	0,47	0,10	0,17		0,05		0,15	
Total Upper Middle Income Countries	0,86	1.975,27	796,94	214,68	254,93	245,60	159,69	279,98	23,44
Total LDC + OLIC + LMIC + UMIC	1,41	7.885,13	3.024,28	855,07	701,96	648,76	1.018,77	1.576,89	59,41
By region									
Europe	12,38	1.887,55	691,98	238,03	206,35	252,05	275,64	156,94	66,55
Africa	4,31	4.442,37	1.422,09	710,26	467,25	352,08	658,29	1,00	716,75
America	1,20	703,66	317,91	65,73	125,50	56,29	66,70		66,85
Asia	0,53	2.046,66	971,92	33,45	130,40	137,68	31,23		715,53
Oceania	8,06	73,27	29,32	12,80	13,18	14,92			2,54
Bilateral unallocated	0,17	971,78	224,03	29,42	65,48	38,57	1,41		51,51
Total Region	1,81	10.125,28	3.657,26	1.089,69	1.008,16	851,59	1.033,29	1,00	1.710,11
									774,18

Breakdown by country/region of external aid financed on the general Commission budget and the European Development Fund (EDF) in 2014.

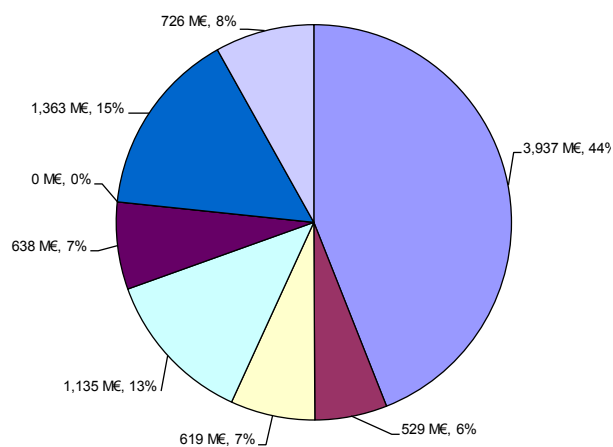
Bilateral ODA flows.

(1) Source : World Population Prospects - United Nations Population Division - 2012 revision

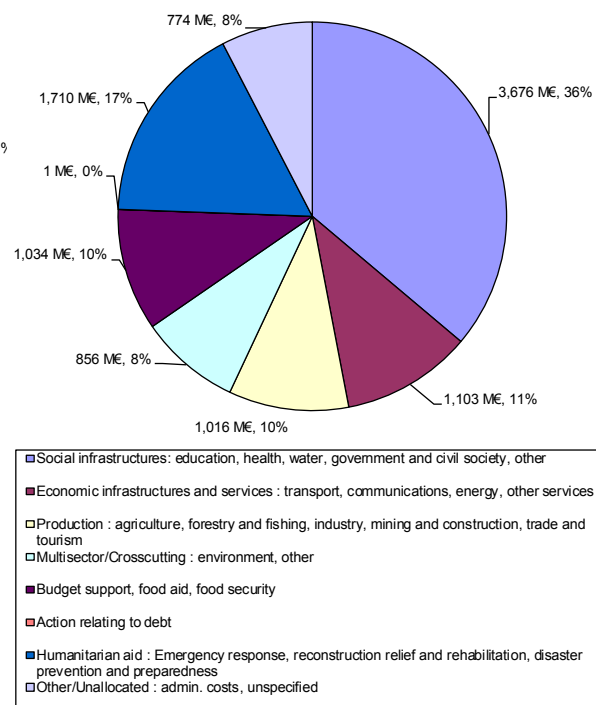
(2) UNSCR 1244/99

Table 5.13 Sectoral breakdown of ODA managed by the European Commission in 2014

Commitments in € Million



Disbursements in € Million



- Social infrastructures: education, health, water, government and civil society, other
- Economic infrastructures and services : transport, communications, energy, other services
- Production : agriculture, forestry and fishing, industry, mining and construction, trade and tourism
- Multisector/Crosscutting : environment, other
- Budget support, food aid, food security
- Action relating to debt
- Humanitarian aid : Emergency response, reconstruction relief and rehabilitation, disaster prevention and preparedness
- Other/Unallocated : admin. costs, unspecified

Table 5.14 Detailed description of ODA by sector in 2014 - Commitments

Commitments in € Million

Sector of Destination		Total	Managed by EuropeAid	Managed by Other DG's
SOCIAL INFRASTRUCTURE AND SERVICES		3,936.54	2,524.72	1,411.82
	Education	558.44	406.63	151.81
	Education, level unspecified	185.10	181.60	3.50
	Basic education	195.22	178.33	16.90
	Secondary education	22.00	22.00	
	Post-secondary education	156.11	24.70	131.41
	Health	402.76	385.24	17.52
	Health, general	118.00	117.00	1.00
	Basic health	284.76	268.24	16.52
	Population policies/programs and reproductive health	73.13	73.13	
	Water supply and sanitation	165.05	124.05	41.00
	Government and civil society	2,262.88	1,125.49	1,137.39
	Other Social Infrastructure and services	474.27	410.18	64.09
ECONOMIC INFRASTRUCTURE AND SERVICES		529.18	373.38	155.80
	Transport and storage	109.89	28.82	81.08
	Communications	45.50	30.00	15.50
	Energy generation and supply	324.08	289.56	34.52
	Banking and financial services	1.70		1.70
	Business and other services	48.00	25.00	23.00
PRODUCTION SECTORS		618.84	508.02	110.82
	Agriculture, Forestry and Fishing	372.89	356.52	16.37
	Agriculture	330.66	314.84	15.82
	Forestry	28.00	28.00	
	Fishing	14.23	13.68	0.55
	Industry, Mining and Construction	146.58	63.13	83.45
	Industry	146.58	63.13	83.45
	Mineral resources and mining	0.00		0.00
	Construction			
	Trade and Tourism	11.00	0.00	10.99
	Trade policy and regulation	99.37	88.37	10.99
	Tourism			
MULTISECTOR / CROSSCUTTING		1,135.02	948.58	186.44
	General environmental protection	239.12	157.17	81.95
	Other multisector	895.90	791.41	104.49
COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE		638.03	615.03	23.00
	General budget support	486.70	463.70	23.00
	Development food aid/food security assistance	151.33	151.33	
	Other commodity assistance			
ACTION RELATING TO DEBT				
	Action relating to debt			
HUMANITARIAN AID		1,362.61	215.52	1,147.09
	Emergency Response	1,249.24	195.00	1,054.24
	Reconstruction relief and rehabilitation	34.52	10.52	24.00
	Disaster prevention and preparedness	78.85	10.00	68.85
OTHER / UNALLOCATED / UNSPECIFIED		725.73	563.27	162.47
	Administrative costs of donors	609.72	473.77	135.95
	Refugees in donor countries			
	Unallocated/unspecified	116.01	89.50	26.52
GRAND TOTAL		8,945.95	5,748.52	3,197.43

Breakdown by sector of Official Development Assistance (ODA) financed on the general Commission budget and the European Development Fund (EDF) in 2014.
Bilateral and multilateral ODA flows.

Table 5.15 Detailed description of ODA by sector in 2014. - Disbursements

Disbursements in € Million

Sector of Destination		Total	Managed by EuropeAid	Managed by Other DG's
SOCIAL INFRASTRUCTURE AND SERVICES		3,676.06	2,860.38	815.68
	Education	562.10	519.17	42.94
	Education, level unspecified	200.22	193.34	6.88
	Basic education	121.24	118.90	2.35
	Secondary education	53.14	50.16	2.98
	Post-secondary education	187.50	156.77	30.73
	Health	400.07	382.15	17.92
	Health, general	81.58	79.37	2.21
	Basic health	318.49	302.78	15.70
	Population policies/programs and reproductive health	89.66	89.49	0.16
	Water supply and sanitation	392.80	301.40	91.41
	Government and civil society	1,697.16	1,131.46	565.70
	Other Social Infrastructure and services	534.25	436.70	97.55
ECONOMIC INFRASTRUCTURE AND SERVICES		1,103.23	906.99	196.24
	Transport and storage	658.42	533.97	124.45
	Communications	21.73	12.67	9.06
	Energy generation and supply	355.27	314.53	40.74
	Banking and financial services	9.86	8.38	1.48
	Business and other services	57.95	37.44	20.51
PRODUCTION SECTORS		1,016.22	837.59	178.62
	Agriculture, Forestry and Fishing	649.90	490.63	159.27
	Agriculture	592.75	433.65	159.10
	Forestry	31.82	31.81	0.01
	Fishing	25.33	25.18	0.15
	Industry, Mining and Construction	142.34	137.19	5.15
	Industry	129.64	126.79	2.86
	Mineral resources and mining	12.25	9.98	2.27
	Construction	0.45	0.42	0.03
	Trade and Tourism	129.20	115.00	14.20
	Trade policy and regulation	213.94	200.85	13.09
	Tourism	10.04	8.93	1.11
MULTISECTOR / CROSSCUTTING		856.38	651.36	205.02
	General environmental protection	230.74	221.45	9.29
	Other multisector	625.64	429.91	195.73
COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE		1,033.57	1,003.53	30.04
	General budget support	913.92	888.28	25.64
	Development food aid/food security assistance	119.65	115.26	4.39
	Other commodity assistance			
ACTION RELATING TO DEBT		1.00	1.00	
	Action relating to debt	1.00	1.00	
HUMANITARIAN AID		1,710.11	216.88	1,493.23
	Emergency Response	1,451.74	125.04	1,326.70
	Reconstruction relief and rehabilitation	164.72	41.02	123.70
	Disaster prevention and preparedness	93.66	50.83	42.83
OTHER / UNALLOCATED / UNSPECIFIED		774.18	556.46	217.72
	Administrative costs of donors	613.54	479.70	133.84
	Refugees in donor countries	21.27	0.11	21.16
	Unallocated/unspecified	139.37	76.64	62.73
GRAND TOTAL		10,170.75	7,034.20	3,136.55

Breakdown by sector of Official Development Assistance (ODA) financed on the general Commission budget and the European Development Fund (EDF) in 2014. Bilateral and multilateral ODA flows.

Table 5.16 EuropeAid in 2014: A closer look. Sectoral breakdown per region

Commitments in € Million

Sector of Destination	ENI East	ENI South	ENI	Asia	Latin America	ACP	Multi Region	Total
SOCIAL INFRASTRUCTURE AND SERVICES	173	826	62	408	126	388	542	2,525
Education	33	182		60		91	42	407
Education, level unspecified	19	75		60		26	2	182
Basic education		83				55	40	178
Secondary education	12	11						22
Post-secondary education	2	13				10		25
Health		90		77		107	112	385
Health, general		90				27		117
Basic health				77		80	112	268
Population policies/programs and reproductive health						31	42	73
Water supply and sanitation		51	19	20	34	0		124
Government and civil society	140	273	40	168	11	149	346	1,125
Other Social Infrastructure and services		230	4	83	82	12	0	410
ECONOMIC INFRASTRUCTURE AND SERVICES	16	6		72	25	239	16	373
Transport and storage	5	4				20		29
Communications				10		20		30
Energy generation and supply	11	2		62		199	16	290
Banking and financial services								
Business and other services					25			25
PRODUCTION SECTORS	116		42	125	59	66	99	508
Agriculture, Forestry and Fishing	64		12	103	32	59	87	357
Agriculture	64		12	103	32	56	48	315
Forestry						3	25	28
Fishing							14	14
Industry, Mining and Construction	7			23	26	7		63
Industry	7			23	26	7		63
Mineral resources and mining								
Construction								
Trade and Tourism	45		30		1	0	13	88
Trade policy and regulation	45		30		1	0	13	88
Tourism								
MULTISECTOR / CROSSCUTTING	116	332	35	197	55	103	111	949
General environmental protection	10	28				38	81	157
Other multisector	106	303	35	197	55	65	30	791
COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE	192	53	97	60		122	91	615
General budget support	192	53	97			122		464
Development food aid/food security assistance				60		0	91	151
Other commodity assistance								
ACTION RELATING TO DEBT								
Action relating to debt								
HUMANITARIAN AID	6	91		10		108		216
Emergency Response		87				108		195
Reconstruction relief and rehabilitation	6	4						11
Disaster prevention and preparedness				10				10
OTHER / UNALLOCATED / UNSPECIFIED	39	22	15	0		104	383	563
Administrative costs of donors						104	369	474
Refugees in donor countries								
Unallocated/unspecified	39	22	15	0			13	89
GRAND TOTAL	658	1,329	251	872	266	1,131	1,242	5,749

Breakdown by sector and region of external aid financed on the general Commission budget managed by EuropeAid and the European Development Fund (EDF).

Bilateral and multilateral ODA flows.

On budget side, region is identified following geographical budget lines and recipient countries for thematic budget lines.

ENI East : Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine. (Russia excluded)

ENI South : Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Occupied Palestinian territory, Syria, Tunisia. (Israel excluded)

Asia : Iran, Iraq, Oman, Yemen, Afghanistan, Bangladesh, Bhutan, India, Kazakhstan, Kyrgyz Rep., Maldives, Myanmar (Burma), Nepal, Pakistan, Sri Lanka, Tajikistan, Turkmenistan, Uzbekistan, Cambodia, China, Indonesia, Korea, Dem., Laos, Malaysia, Mongolia, Philippines, Thailand, Timor-Leste, Viet Nam.

Latin America : Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela

ACP : South Of Sahara + Oceania + Anguilla, Antigua & Barbuda, Barbados, Belize, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, St.Kitts-Nevis, St.Lucia, St.Vincent & Grenadines, Trinidad & Tobago, West Indies, Regional, Guyana, Suriname. (Turks & Caicos Islands excluded)

Multi region : covering several regions or unspecified location.

Table 5.17 EuropeAid in 2014: A closer look. Sectoral breakdown per region

Disbursements in € Million

Sector of Destination	ENI East	ENI South	ENI	Asia	Latin America	ACP	Multi Region	Total
SOCIAL INFRASTRUCTURE AND SERVICES	645	194		442	219	1,238	123	2,860
Education	185	1		140	36	128	29	519
Education, level unspecified	50			30	10	75	28	193
Basic education	41	0		58	2	17	1	119
Secondary education	6	1		17	5	21	1	50
Post-secondary education	88			35	19	15		157
Health	24	0		73	2	265	19	382
Health, general	16	0		24	0	37	2	79
Basic health	8	0		49	1	227	17	303
Population policies/programs and reproductive health	5	3		3	2	56	21	89
Water supply and sanitation	51			13	21	215	1	301
Government and civil society	309	22		181	114	459	47	1,131
Other Social Infrastructure and services	71	168		32	43	114	7	437
ECONOMIC INFRASTRUCTURE AND SERVICES	91	1		16	26	766	6	907
Transport and storage	9			4	3	517		534
Communications	4			3	2	5		13
Energy generation and supply	68	1		8	20	211	6	315
Banking and financial services	3			0	0	5		8
Business and other services	7			1	1	28		37
PRODUCTION SECTORS	143	0	8	92	64	503	26	838
Agriculture, Forestry and Fishing	66	0		39	29	333	23	491
Agriculture	65	0		31	18	298	21	434
Forestry	1			5	10	14	2	32
Fishing				3	0	22		25
Industry, Mining and Construction	63	0		17	19	38	0	137
Industry	62	0		17	19	29	0	127
Mineral resources and mining	1				0	8		10
Construction				0		0		0
Trade and Tourism	14	0	8	36	16	132	3	210
Trade policy and regulation	11		8	34	15	130	3	201
Tourism	3	0		2	1	2	0	9
MULTISECTOR / CROSSCUTTING	127	1		107	37	349	30	651
General environmental protection	28	1		27	16	122	28	221
Other multisector	99	1		81	21	228	2	430
COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE	332	4	40	21	17	586	3	1,004
General budget support	332		40		8	508		888
Development food aid/food security assistance	0	4		21	9	78	3	115
Other commodity assistance								
ACTION RELATING TO DEBT						1		1
Action relating to debt						1		1
HUMANITARIAN AID	14	83		29	1	89	1	217
Emergency Response	1	83		3		38		125
Reconstruction relief and rehabilitation	12			20	0	9		41
Disaster prevention and preparedness	0			7	1	42	1	51
OTHER / UNALLOCATED / UNSPECIFIED	52	1		4	2	118	379	556
Administrative costs of donors	4	1		1	0	108	367	480
Refugees in donor countries		0						0
Unallocated/unspecified	48	0		4	2	11	11	77
GRAND TOTAL	1,404	285	48	711	366	3,651	567	7,034

Breakdown by sector and region of external aid financed on the general Commission budget managed by EuropeAid and the European Development Fund (EDF).

Bilateral and multilateral ODA flows.

On budget side, region is identified following geographical budget lines and recipient countries for thematic budget lines.

ENI East : Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine. (Russia excluded)

ENI South : Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Occupied Palestinian territory, Syria, Tunisia. (Israel excluded)

Asia : Iran, Iraq, Oman, Yemen, Afghanistan, Bangladesh, Bhutan, India, Kazakhstan, Kyrgyz Rep., Maldives, Myanmar (Burma), Nepal, Pakistan, Sri Lanka, Tajikistan, Turkmenistan, Uzbekistan, Cambodia, China, Indonesia, Korea, Dem., Laos, Malaysia, Mongolia, Philippines, Thailand, Timor-Leste, Viet Nam.

Latin America : Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela

ACP : South Of Sahara + Oceania + Anguilla, Antigua & Barbuda, Barbados, Belize, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, St.Kitts-Nevis, St.Lucia, St.Vincent & Grenadines, Trinidad & Tobago, West Indies, Regional, Guyana, Suriname. (Turks & Caicos Islands excluded)

Multi region : covering several regions or unspecified location.

Table 5.18 External aid in 2014: A closer look. Sectoral breakdown per instrument

Commitments in € million

Sector of Destination	ENI	EDF	DCI - Geo	DCI - Thema (3)	EIDHR	IFS	INSC	CFSP	IPA	Echo	Other	Total
SOCIAL INFRASTRUCTURE AND SERVICES	1,106	293	608	483	174	174		292	776		31	3,937
Education	263	55	96	95					39		11	558
Education, level unspecified	94		86	2					4			185
Basic education	83	55		40					6		11	195
Secondary education	22											22
Post-secondary education	63		10	53					30			156
Health	90	97	76	123		17			1			403
Health, general	90	27							1			118
Basic health		70	76	123		17						285
Population policies/programs and reproductive health		18	8	47							1	73
Water supply and sanitation	70		49	5		0			41			165
Government and civil society	450	122	205	213	174	158		292	631		19	2,263
Other Social Infrastructure and services	234	2	175	0					64			474
ECONOMIC INFRASTRUCTURE AND SERVICES	14	118	129	83			29		156			529
Transport and storage	9	12	8						81			110
Communications			30						16			46
Energy generation and supply	5	107	66	83			29		35			324
Banking and financial services									2			2
Business and other services			25						23			48
PRODUCTION SECTORS	158	27	183	133		0			105		12	619
Agriculture, Forestry and Fishing	76	20	133	124					16		4	373
Agriculture	76	17	133	85					16		4	331
Forestry			3	25								28
Fishing				14					1			14
Industry, Mining and Construction	7	7	49			0			83			147
Industry	7	7	49						83			147
Mineral resources and mining						0						0
Construction												-
Trade and Tourism	75	0	1	10					6		8	99
Trade policy and regulation	75	0	1	10					6		8	99
Tourism												-
MULTISECTOR / CROSSCUTTING	479	64	262	119					186		24	1,135
General environmental protection	35	20		102					82		0	239
Other multisector	444	44	262	17					104		24	896
COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE	342	122	60	91							23	638
General budget support	342	122									23	487
Development food aid/food security assistance			60	91							0	151
Other commodity assistance												-
ACTION RELATING TO DEBT												-
Action relating to debt												-
HUMANITARIAN AID	98	108	10			0			56	1,075	16	1,363
Emergency Response	87	108				0				1,038	16	1,249
Reconstruction relief and rehabilitation	11								24			35
Disaster prevention and preparedness			10			0			32	37		79
OTHER / UNALLOCATED / UNSPECIFIED	98	104		134	11	19	1	3	61	9	287	726
Administrative costs of donors (1)	58	104		98	11	8	1	1	49	9	272	610
Refugees in donor countries												-
Unallocated/unspecified	40			36		11		2	12		15	116
GRAND TOTAL	2,294	836	1,252	1,043	185	194	30	294	1,340	1,084	393	8,946

(1) Column "Other" includes expenditure concerning other instruments.

Breakdown by sector and region of external aid financed on the general Commission budget and the European Development Fund (EDF).
Bilateral and multilateral ODA flows.

(2) DCI - Geo : Asia, Latin America, South Africa, Panafrique

(3) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes

Table 5.19 External aid in 2014: A closer look. Sectoral breakdown per instrument

Disbursements in € Million

Sector of Destination	ENI	EDF	DCI - Geo (2)	DCI - Thema (3)	IDHR	IFS	INSC	CFSP	IPA	Echo	Other	Total
SOCIAL INFRASTRUCTURE AND SERVICES	768	1,043	554	321	149	188		253	385		14	3,676
Education	187	103	173	54	1	1			40		4	562
Education, level unspecified	50	72	39	32	0	1			6			200
Basic education	41	12	57	9	0				2			121
Secondary education	6	10	22	13		0			3			53
Post-secondary education	90	9	55	1					29		4	187
Health	23	232	66	57	0	18			3		2	400
Health, general	15	34	23	7	0	0			2		1	82
Basic health	8	198	43	49		18			1		2	318
Population policies/programs and reproductive health	0	44	1	43	0				0		1	90
Water supply and sanitation	51	206	32	11		1			90		1	393
Government and civil society	271	367	205	126	148	166		253	156		6	1,697
Other Social Infrastructure and services	237	92	76	31	0	2			96		1	534
ECONOMIC INFRASTRUCTURE AND SERVICES	55	752	42	12	0	1	44		196		1	1,103
Transport and storage	9	510	15						124		0	658
Communications	3	4	4	1	0	1			9		0	22
Energy generation and supply	32	205	22	11			44		41			355
Banking and financial services	3	5	0	0					1			10
Business and other services	7	28	2	1					21		0	58
PRODUCTION SECTORS	151	343	208	132		3			171		8	1,016
Agriculture, Forestry and Fishing	66	196	101	128		1			158		0	650
Agriculture	65	178	87	104		1			158		0	593
Forestry	0	3	12	17					0			32
Fishing		15	3	8					0			25
Industry, Mining and Construction	63	33	40	2		2			3		0	142
Industry	61	24	39	2					3		0	130
Mineral resources and mining	1	8	0	0		2			0			12
Construction		0	0						0			0
Trade and Tourism	22	115	67	2					10		8	224
Trade policy and regulation	19	113	64	1					9		8	214
Tourism	3	2	3	1					1			10
MULTISECTOR / CROSSCUTTING	123	281	133	111	0	0			204		4	856
General environmental protection	26	78	33	85	0				9		1	231
Other multisector	97	203	101	26	0	0			195		3	626
COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE	372	560	13	58		4			26		0	1,034
General budget support	372	508	8	1					26		0	914
Development food aid/food security assistance	0	53	5	57		4					0	120
Other commodity assistance												
ACTION RELATING TO DEBT		1										1
Action relating to debt		1										1
HUMANITARIAN AID	96	86	27	7		23			123	1,342	5	1,710
Emergency Response	83	35	2	5		15			7	1,301	5	1,452
Reconstruction relief and rehabilitation	12	9	20			7			116		0	165
Disaster prevention and preparedness	0	42	5	3		1			0	42		94
OTHER / UNALLOCATED / UNSPECIFIED	77	112	4	128	10	30	1	2	108	10	291	774
Administrative costs of donors (1)	57	107	0	96	10	8	1	1	48	10	276	614
Refugees in donor countries					0	17			4			21
Unallocated/unspecified	20	5	4	32	0	5		2	57		15	139
GRAND TOTAL	1,642	3,180	981	770	159	250	46	255	1,213	1,352	323	10,171

(1) Column "Other" includes expenditure concerning other instruments.

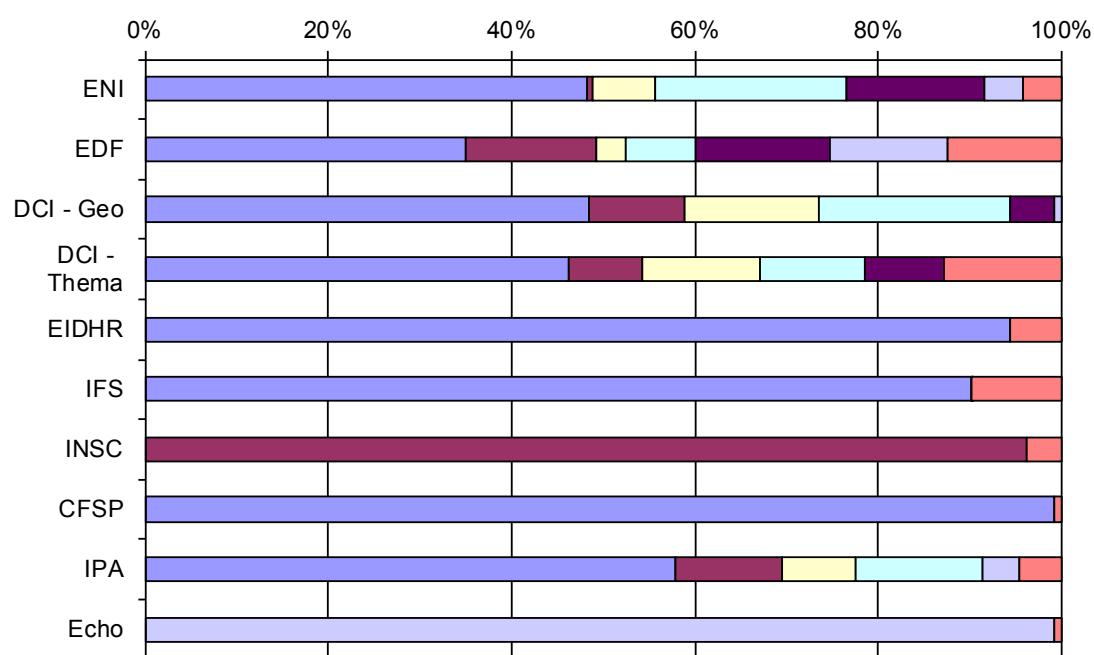
Breakdown by sector and region of external aid financed on the general Commission budget and the European Development Fund (EDF).

Bilateral and multilateral ODA flows.

(2) DCI - Geo : Asia, Latin America, South Africa, Panafrique

(3) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes

Table 5.20 External aid in 2014: A closer look. Sectoral breakdown per instrument



- Social infrastructures: education, health, water, government and civil society, other
- Economic infrastructures and services : transport, communications, energy, other services
- Production : agriculture, forestry and fishing, industry, mining and construction, trade and tourism
- Multisector/Crosscutting : environment, other
- Budget support, food aid, food security
- Action relating to debt
- Humanitarian aid : Emergency response, reconstruction relief and rehabilitation, disaster prevention and preparedness
- Other/Unallocated : admin. costs, unspecified

ODA Commitments %

Table 5.21 Budget Support 2014 : breakdown by instrument

Commitments in € Million

	General Budget Support	Sector Budget Support	Total Budget Support	Total ODA	Budget Support / Total ODA
European Neighbourhood Instrument (ENI)	342	561	903	2,294	39%
Development Cooperation Instrument - Geographic (1)	-	185	185	1,252	15%
Development Cooperation Instrument -Thematic (2)	-	4	4	1,043	0%
European Development Fund (EDF)	170	21	191	836	23%
IPA	-	42	42	1,340	3%
Grand Total	512	813	1,325	6,765	20%

(1) DCI - Geographic : Asia, Latin America, South Africa, Africa

(2) DCI - Thematic : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes

(3) Budget support commitments which are not eligible for ODA are excluded (ex: Greenland)

Table 5.22 Breakdown by country and instrument - Commitments
Commitments in EUR million

Country/Region	ENI	DCI - Geo (1)	DCI - Thema (2)	EIDHR	IFS	INSC	CFSP	IPA	Echo	Other	Total BUDG	EDF	Grand Total
Part I : Developing Countries & Territories (ODA)													
Europe, Total	447,01		39,00		34,27	8,20	114,75	1.285,09	13,80		1.942,12		1.942,12
Albania								67,63			67,63		67,63
Belarus	19,00										19,00		19,00
Bosnia and Herzegovina					0,77		5,25	80,22	1,50		87,76		87,76
Kosovo (3)							91,27	67,45			158,72		158,72
fYRoM								77,62			77,62		77,62
Republic of Moldova (4)	131,00										131,00		131,00
Montenegro								36,52			36,52		36,52
Serbia								191,08	1,50		192,58		192,58
Turkey					17,00			554,76			571,76		571,76
Ukraine	242,00				16,50	8,20	15,78		10,80		293,28		293,28
States of ex-Yugoslavia unspecif.													
Europe, Regional	55,01		39,00		0,01		2,42	209,80			306,24		306,24
Africa, Total	465,86	123,58	157,08	0,09	90,17	4,00	69,27		473,93	6,25	1.390,23	688,37	2.078,60
North Of Sahara, Total	465,86			0,01	4,50		26,20		12,00	2,74	511,35		511,35
Algeria	26,50								10,00		36,50		36,50
Egypt	30,00			0,01						2,74	32,75		32,75
Libya	8,00				4,50		26,20		2,00		40,73		40,73
Morocco	170,00										170,00		170,00
Tunisia	169,00										169,00		169,00
North Of Sahara, Regional	62,37										62,37		62,37
South Of Sahara, Total		32,50	69,17	0,08	69,17	4,00	37,22		369,27	1,51	582,92	626,37	1.209,30
Angola													
Benin													

Botswana									
Burkina Faso							0,00	0,00	
Burundi							61,70	61,70	
Cameroon						3,00	3,00		3,00
Cape Verde							3,00	3,00	
Central African Rep.			10,65			22,50	33,15	129,00	162,15
Chad			14,00			31,50	45,50	10,00	55,50
Comoros									
Congo, Dem. Rep.	0,00	0,00	14,00	4,60		51,06	69,66	47,00	116,66
Congo, Rep.									
Cote d'Ivoire						2,00	2,00		2,00
Djibouti				17,90		2,02	19,95		19,95
Equatorial Guinea									
Eritrea									
Ethiopia						32,32	32,32	10,00	42,32
Gabon									
Gambia									
Ghana									
Guinea			0,02				0,02		0,02
Guinea-Bissau								24,95	24,95
Kenya						22,22	22,22		22,22
Lesotho									
Liberia	0,00						0,00		0,00
Madagascar								82,00	82,00
Malawi									
Mali	0,27			5,50		33,00	38,77		38,77
Mauritania								1,82	1,82
Mauritius									
Mozambique									
Namibia									
Niger	11,00			9,16			20,19	2,00	22,19
Nigeria		0,08				12,50	12,58	25,00	37,58
Rwanda	4,00						4,00		4,00

St.Helena										
Sao Tome & Principe										
Senegal				0,00			0,00	20,90	20,90	
Seychelles	3,00						3,00		3,00	
Sierra Leone										
Somalia				7,00		44,44	51,44	10,00	61,44	
South Africa	26,00						26,00		26,00	
Sudan				13,50		56,36	69,86		69,86	
South Sudan				10,00		56,36	66,36	30,00	96,36	
Swaziland								2,00	2,00	
Tanzania				4,00			4,00		4,00	
Togo								4,00	4,00	
Uganda								3,00	3,00	
Zambia								64,00	64,00	
Zimbabwe										
South Of Sahara, Regional	6,50	50,90				1,51	58,91	96,00	154,91	
Africa, Regional	91,08	87,90		16,50	5,80	92,66	2,00	295,96	62,00	357,96
America, Total	258,82	10,00	0,01			42,57	1,50	312,90	5,00	317,90
North & Central, Total	85,26	5,00	0,01			29,54		119,81	5,00	124,81
Antigua & Barbuda										
Belize										
Costa Rica										
Cuba										
Dominica										
Dominican Republic										
El Salvador				0,01			0,01		0,01	
Grenada										
Guatemala	25,66	0,00					25,66		25,66	
Haiti		5,00				18,50	23,50	5,00	28,50	
Honduras	51,60						51,60		51,60	
Jamaica										
Mexico										
Montserrat										

Nicaragua	8,00								8,00			8,00
Panama												
St.Lucia												
St.Vincent & Grenadines												
West Indies, Regional												
N. & C. America, Regional								11,04		11,04		11,04
South, Total	140,13	5,00						13,03	1,50	159,66		159,66
Argentina												
Bolivia	102,63									102,63		102,63
Brazil												
Chile												
Colombia	0,15							13,03	1,50	14,68		14,68
Ecuador												
Guyana												
Paraguay	1,98									1,98		1,98
Peru												
Suriname												
Uruguay												
Venezuela												
South America, Regional	35,36	5,00								40,37		40,37
America, Regional	33,42									33,42		33,42
Asia, Total	859,88	869,09	69,50	0,94	42,03	13,10	109,12	445,59	38,00	2.447,25	5,00	2.452,25
Middle East, Total	688,88	53,50			42,02	1,50	9,92	324,00		1.119,81		1.119,81
Iran								9,45		9,45		9,45
Iraq					6,00	1,50		47,00		54,50		54,50
Jordan	174,50									174,50		174,50
Lebanon	143,33				0,03					143,35		143,35
Occupied Palestinian territory	307,00				11,00		9,92	33,50		361,42		361,42
Syria	59,05				21,99			201,05		282,09		282,09
Yemen		51,00			3,01			33,00		87,01		87,01
Middle East, Regional	5,00	2,50								7,50		7,50
South & Centr. Asia, Total	171,00	597,68	68,30	0,94	0,01	11,60	99,21	121,59	38,00	1.108,33		1.108,33
Afghanistan		207,50		0,19			79,14	11,03		297,90		297,90

Armenia	19,00					19,00		19,00
Azerbaijan	21,00					21,00		21,00
Bangladesh	31,00				13,50	44,50		44,50
Bhutan								
Georgia	131,00		0,01	18,30		23,00	172,31	172,31
India					6,00	6,00		6,00
Kazakhstan								
Kyrgyz Rep.	30,00		0,00			15,00	45,00	45,00
Maldives		0,75					0,75	0,75
Myanmar (Burma)	120,00						120,00	120,00
Nepal	22,65				1,30	23,95		23,95
Pakistan	97,50				52,73	150,23		150,23
Sri Lanka	14,00					14,00		14,00
Tajikistan	35,03	0,04					35,07	35,07
Turkmenistan								
Uzbekistan	20,00						20,00	20,00
Central Asia, Regional	10,00	53,26		11,60		7,74	82,60	82,60
South Asia, Regional	10,00	15,00	0,00	1,73		29,30	56,03	56,03
South & Central Asia, Regional								
Far East, Total	168,20					0,00	168,20	5,00 173,20
Cambodia	50,00						50,00	50,00
China								
Indonesia								
Korea, Dem.								
Laos								
Malaysia								
Mongolia	8,20						8,20	8,20
Philippines	76,00						76,00	76,00
Thailand						0,00	0,00	0,00
Timor-Leste								5,00 5,00
Viet Nam	14,00						14,00	14,00
Far East Asia, Regional	20,00						20,00	20,00
Asia, Regional	49,71	1,20					50,91	50,91

Oceania, Total			1,90						1,50		3,40	1,00	4,40
Cook Islands													
Fiji													
Kiribati													
Marshall Islands													
Micronesia, Fed. Sts.													
Nauru													
Niue													
Palau													
Papua New Guinea									1,50		1,50		1,50
Samoa													
Solomon Islands												0,00	0,00
Tokelau													
Tonga												1,00	1,00
Tuvalu													
Vanuatu													
Wallis & Futuna													
Oceania, Regional			1,90								1,90		1,90
Bilateral unallocated	461,01		657,66	173,15	19,00	4,05	0,89	6,27	98,10	66,73	1.486,86	136,92	1.623,79
Part I (ODA) Bilateral, Total	2.233,76	1.251,49	935,14	174,19	185,48	29,35	294,03	1.291,37	1.075,50	112,48	7.582,77	836,30	8.419,06
Public Private Partnerships													
United Nations	2,20	1,00	10,00								3,86	17,06	17,06
UNRWA													
UNDP													
WFP													
WHO													
FAO											0,33	0,33	0,33
International Monetary Fund (IMF)													
World Bank Group													
World Trade Organisation											3,35	3,35	3,35
Regional Development Banks													

Other Multilateral Institutions											1,27	1,27		1,27
GFTAM														
Others														
Part I (ODA) Multilateral Aid, Total	2,20	1,00	10,00								8,48	21,68		21,68
Part I (ODA), Total	2.235,96	1.252,49	945,14	174,19	185,48	29,35	294,03	1.291,37	1.075,50	120,97	7.604,45	836,30		8.440,75
Part II: Countries and Territories in Transition (non ODA)														
More Advanced Developing Countries	54,61		43,48				10,67	17,75		138,24	264,75			264,75
Anguilla														
Aruba														
Barbados														
Bahrain														
Bahamas														
Bermuda														
Brunei														
Cayman Islands														
Taiwan														
Falkland Islands														
French Polynesia														
Gibraltar														
Hong Kong, China														
Israel														
Korea														
Kuwait														
Macao														
Mayotte														
Netherlands Antilles														
New Caledonia														
Oman														
Pitcairn Islands										0,72	0,72			0,72
Qatar														
Saint Pierre and Miquelon														

	Saudi Arabia							
	Singapore							
	St.Kitts-Nevis							
	Trinidad & Tobago							
	Turks & Caicos Islands							
	United Arab Emirates							
	Virgin Islands (UK)							
	MADCT Unallocated	54,61	43,48	10,67	17,75	137,52	264,03	264,03
CEEC's/NIS					0,00	57,84	57,84	57,84
	Bulgaria							
	Croatia					0,31	0,31	0,31
	Cyprus					32,96	32,96	32,96
	Czech Republic							
	Estonia							
	Greenland					24,57	24,57	24,57
	Hungary							
	Latvia							
	Lithuania							
	Iceland							
	Malta							
	Poland							
	Romania							
	Russia							
	Slovak Republic				0,00		0,00	0,00
	Slovenia							
	Europe Unallocated							
	CEECs Unallocated							
	Part II (Non-OA) Bilateral Aid, Total	54,61	43,48	10,67	17,76	196,08	322,59	322,59
EBRD								
Part II (non-ODA) Multilateral Aid, Total								
	Part II (non-ODA), Total	54,61	43,48	10,67	17,76	196,08	322,59	322,59

Total Part I & Part II	2.290,57	1.252,49	988,62	174,19	185,48	29,35	304,69	1.309,12	1.075,50	317,04	7.927,05	836,30	8.763,34
BA Lines	60,03		102,00	11,04	9,17	1,20	0,35	51,38	9,20	4,91	249,27		249,27
Other Flows	9,09	5,00	18,39	2,05	84,84			8,37	18,34	81,38	227,47	386,95	614,42
Total Flows	2.359,69	1.257,49	1.109,01	187,28	279,48	30,55	305,04	1.368,88	1.103,04	403,33	8.403,79	1.223,24	9.627,03

Breakdown by country/region of external aid financed on the General Commission Budget in 2014.
Bilateral and Multilateral ODA / non-ODA flows.

- (1) DCI - Geo : Asia, Latin America, South Africa, Panafrica
- (2) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes
- (3) UNSCR 1244/99
- (4) henceforth Moldova

Table 5.23 Breakdown by country and instrument - Disbursements

Disbursements in EUR Million

Country/Region	ENI	DCI - Geo (1)	DCI - Thema (2)	EIDH R	IFS	INSC	CFSP	IPA	Echo	Other	Total BUDG	EDF	Grand Total
Part I : Developing Countries & Territories (ODA)													
Europe, Total	502,49	0,37	43,50	23,26	21,84	16,29	117,61	1.120,34	33,34	8,36	1.887,40	0,15	1.887,55
Albania				0,69				74,21			74,91		74,91
Belarus	14,91		2,00	0,56	1,41	1,93					20,82		20,82
Bosnia and Herzegovina				2,07			4,88	98,76	1,50	0,16	107,40		107,40
Kosovo (3)				3,89			98,70	89,87			192,46		192,46
fYRoM				0,94				65,77			66,71		66,71
Republic of Moldova (4)	94,68		2,61	1,13							98,42		98,42
Montenegro				0,65				28,53			29,19		29,19
Serbia				1,38				142,33	0,90	0,27	144,88		144,88
Turkey				3,19				488,05	23,16		514,40		514,40
Ukraine	312,56		2,96	1,66	10,46	14,30	10,00		7,78		359,72		359,72
States of ex-Yugoslavia unspecif.								0,24			0,24		0,24
Europe, Regional	80,33	0,37	35,93	7,08	9,97	0,06	2,22	132,56		7,94	278,25	0,15	278,40
Africa, Total	426,03	79,36	287,48	47,81	79,50	0,30	46,00		628,33	11,24	1.606,05	2.836,32	4.442,37
North Of Sahara, Total	423,10		9,06	11,30	7,58	0,30	9,00		10,62	1,93	1.606,05	0,01	474,17
Algeria	31,80		1,59	1,29					10,21		44,90		44,90
Egypt	93,99		1,40	4,15	1,94	0,30				1,10	102,88		102,88
Libya	11,54		0,81	0,51	5,40		9,00		0,35		28,88		28,88
Morocco	77,00		2,22	1,37						0,35	80,94		80,94
Tunisia	178,04		0,26	3,30	0,16				0,06		181,81		181,81
North Of Sahara, Regional	30,73		2,78	0,67	0,08					0,48	34,75	0,01	34,77

South Of Sahara, Total	79,36	237,38	33,84	66,13	31,97	617,71	7,58	1.073,97	2.654,10	3.728,07
Angola		6,56	0,25					6,81	38,88	45,68
Benin		0,72	0,27			0,23		1,22	52,24	53,46
Botswana		0,03	0,27					0,30	30,45	30,75
Burkina Faso	0,08	7,55		0,60		21,05		29,27	120,99	150,26
Burundi		3,75	0,61	0,23		3,48	1,09	9,16	62,56	71,72
Cameroon	5,14	5,09	0,21			4,64		15,07	54,83	69,91
Cape Verde	0,16	1,78						1,95	14,06	16,01
Central African Rep.		2,48		2,48		26,64		31,60	92,63	124,23
Chad		2,38	1,10	0,80		45,12		49,40	59,35	108,75
Comoros		0,53	1,27			0,04		1,83	6,96	8,79
Congo, Dem. Rep.		17,54	2,12	4,55	8,23	62,54	1,56	96,54	76,47	173,00
Congo, Rep.	0,49	5,75	0,01			0,40		6,65	16,01	22,66
Cote d'Ivoire	14,15	3,14	1,19	7,70		2,68		28,87	72,39	101,26
Djibouti		0,07	0,01		11,35	2,96		14,42	5,04	19,46
Equatorial Guinea										
Eritrea		0,80	0,60					1,40	7,91	9,31
Ethiopia		6,68	0,20	4,39	0,28	49,09		60,63	151,52	212,16
Gabon		0,95						0,95	3,50	4,44
Gambia		1,41	0,01			1,69		3,11	8,23	11,34
Ghana	0,18	3,67	1,17			0,01		5,04	33,89	38,92
Guinea		1,29	0,84	4,66		3,56	1,92	12,26	28,84	41,10
Guinea-Bissau		2,84	1,88	0,57	0,00	0,09		5,38	17,16	22,54
Kenya	3,53	12,81	0,63			33,51		50,48	79,81	130,29
Lesotho		0,36	0,08			1,15	0,07	1,66	11,59	13,25
Liberia		3,40	0,66	0,08		2,67		6,82	55,03	61,85
Madagascar	1,13	4,60	1,18	0,06		2,42		9,38	102,27	111,66
Malawi	0,48	4,31	1,95			1,00		7,74	45,86	53,60
Mali		2,97	1,46	2,82	4,74	40,82		52,82	179,93	232,75
Mauritania		6,75	0,70			13,63		21,08	19,18	40,26
Mauritius		0,18						0,18	6,27	6,45
Mozambique	1,05	4,27	0,45			2,32	0,37	8,46	71,39	79,85

Namibia	0,69	1,06	0,11			0,20	2,05	20,13	22,18
Niger		5,88	0,66	10,08	7,33	42,31	66,27	130,55	196,82
Nigeria		0,57	3,49	3,38		11,71	19,15	73,30	92,45
Rwanda		2,64	0,48			2,98	6,11	62,25	68,35
St.Helena								5,00	5,00
Sao Tome & Principe		0,96					0,96	3,91	4,88
Senegal		1,59	0,27	2,94		9,96	14,76	54,26	69,02
Seychelles		0,77					0,77	0,08	0,85
Sierra Leone		6,42	0,37			0,59	7,39	51,19	58,58
Somalia		6,85	1,35	4,74		66,47	79,41	65,67	145,08
South Africa	38,03	1,66	0,87				0,72	41,28	41,28
Sudan		11,75	1,13	5,85		36,61	55,35	21,29	76,64
Sudan		5,04	1,05	3,51		114,34	0,14	124,09	45,99
Swaziland	13,07	0,58	0,23				13,88	4,74	18,62
Tanzania	0,81	1,93	0,01	0,12		3,75	6,62	51,99	58,61
Togo		2,11	0,04			0,01	2,15	25,53	27,68
Uganda		8,98	0,67			4,02	0,13	13,80	85,23
Zambia		4,28	0,32			0,21	4,82	20,19	25,01
Zimbabwe	0,37	6,44	2,41	1,31		2,81	13,34	29,29	42,63
South Of Sahara, Regional		53,21	1,27	5,24			1,58	61,29	378,28
Africa, Regional	2,94	41,04	2,67	5,79	3,98		1,73	57,92	182,20
America, Total	309,28	87,90	19,47	16,79	1,95	58,06	3,95	497,41	206,25
North & Central, Total	133,10	42,81	9,59	12,19	1,02	39,14	0,76	238,62	190,89
Antigua & Barbuda		0,18				0,07	0,25	0,54	0,79
Belize	9,87	1,86	0,00				11,74	2,63	14,37
Costa Rica	5,91		0,03			0,31	6,25		6,25
Cuba	1,45	4,85				1,06	7,36		7,36
Dominica	2,25						2,25	1,44	3,68
Dominican Republic	3,40	1,72	0,89	1,13		0,51	7,65	32,86	40,51
El Salvador	7,17	2,48	0,89	0,32		2,80	13,65		13,65
Grenada						0,01	0,01	6,05	6,06
Guatemala	8,95	1,91	1,47			3,53	15,86		15,86
Haiti		8,84	1,15	8,08		22,15	0,04	40,26	82,63

Honduras	18,02	1,21	1,04					3,31		23,58		23,58	
Jamaica	23,69		0,06					0,01		23,77	29,00	52,77	
Mexico	5,20	2,64	1,30		1,02			0,36		10,53		10,53	
Montserrat											4,28	4,28	
Nicaragua	11,54	8,15	1,30	0,59				4,54	0,02	26,14		26,14	
Panama	8,22							0,31	0,37	8,90		8,90	
St.Lucia	0,18							0,01		0,20	2,77	2,97	
St.Vincent & Grenadines	1,06							0,16		1,22	2,04	3,26	
West Indies, Regional		1,27	0,19	0,52						1,98	25,46	27,44	
N. & C. America, Regional	26,19	7,70	1,27	1,54					0,33	37,02	1,19	38,21	
South, Total	146,51	41,33	8,80	4,60	0,93			18,92	1,78	222,88	15,36	238,24	
Argentina	6,73	0,29	0,16					0,22		7,40		7,40	
Bolivia	21,93	2,89	0,51	0,74				0,78	0,24	27,08		27,08	
Brazil	4,13	6,35	0,70	0,52	0,93			0,12		12,74		12,74	
Chile	15,35	1,58	0,43							17,35		17,35	
Colombia	27,20	4,42	2,28	2,27				13,32		49,49		49,49	
Ecuador	9,03	5,34	0,46					2,34		17,17		17,17	
Guyana	0,01	0,93	0,39					0,01		1,34	15,30	16,64	
Paraguay	8,99	1,42	0,42					0,49		11,31		11,31	
Peru	19,10	5,00	0,61					0,58		25,29		25,29	
Suriname			0,00					0,01		0,01	0,06	0,07	
Uruguay	5,11	1,19	0,58							6,88		6,88	
Venezuela	0,44	2,90	0,84					1,06		5,24		5,24	
South America, Regional	28,50	9,03	1,42	1,08					1,55	41,56		41,56	
America, Regional	29,67	3,75	1,08						1,41	35,90		35,90	
Asia, Total	523,55	578,37	116,96	46,04	92,99	6,74	87,72		573,60	4,97	2.030,95	15,71	2.046,66
Middle East, Total	444,41	21,07	16,41	11,32	63,72	0,48	9,27		377,40	1,57	945,65		945,65
Iran		0,49	1,30	0,29					1,74		3,82		3,82
Iraq		8,49		1,42	6,94		0,00		43,92		60,77		60,77
Jordan	60,21	3,09	0,32	0,65	0,52	0,48			69,57	0,07	134,90		134,90
Lebanon	67,08		2,32	1,27	26,44				64,04	0,40	161,56		161,56
Occupied Palestinian territory	297,91		8,38	2,54	7,84		9,17		38,22	0,22	364,29		364,29
Syria	3,29	0,27	0,07	2,01	19,96				120,57		146,18		146,18

Yemen		7,61	3,11	1,67	1,85			39,34	0,13	53,71	53,71
Middle East, Regional	15,92	1,12	0,90	1,47	0,18		0,10		0,75	20,43	20,43
South & Centr. Asia, Total	78,74	402,92	58,39	25,75	24,84	4,73	78,45	150,06	0,33	824,21	824,21
Afghanistan		145,09	7,71	9,18	10,88		64,95	32,70		270,50	270,50
Armenia	28,09		2,87	0,74		3,74		2,61		38,05	38,05
Azerbaijan	7,79	0,16	0,60	0,51				0,05		9,11	9,11
Bangladesh		47,73	9,88	1,93	0,09			14,41		74,03	74,03
Bhutan		3,30	0,14	0,01				0,12		3,57	3,57
Georgia	40,88		3,18	1,46	2,65	0,26	11,90	0,70	0,07	61,13	61,13
India		43,89	5,56	0,71	0,15			8,92		59,23	59,23
Kazakhstan		7,43	0,27	0,87				0,63		9,20	9,20
Kyrgyz Rep.		20,42	1,04	0,86	2,54			0,91		25,77	25,77
Maldives		0,11		0,70						0,81	0,81
Myanmar (Burma)		15,45	5,30	2,42	2,58			26,95	0,17	52,88	52,88
Nepal		19,17	4,42	0,93	0,01			1,98		26,49	26,49
Pakistan		53,10	6,83	1,46	2,94			56,23		120,58	120,58
Sri Lanka		9,25	1,41	0,81				1,22		12,70	12,70
Tajikistan		10,67	1,85	1,13	0,40			1,89		15,95	15,95
Turkmenistan		2,50		0,65				0,27		3,42	3,42
Uzbekistan		4,54	0,13	0,06		0,58		0,48		5,78	5,78
Central Asia, Regional	1,98	18,07	1,48	0,24	1,16	0,15	0,63		0,09	23,79	23,79
South Asia, Regional		0,68	3,40	0,94	1,41		0,95			7,39	7,39
South & Central Asia, Regional		1,35	2,30	0,14	0,03					3,82	3,82
Far East, Total		132,59	29,11	7,09	3,57	1,54		46,14	0,83	220,87	15,71 236,58
Cambodia		28,64	6,22	1,66				5,02		41,54	41,54
China		20,76	1,43	1,79		0,71		0,06	0,76	25,51	25,51
Indonesia		14,59	2,92	0,48				0,78		18,77	0,01 18,77
Korea, Dem.			5,07	0,15				0,30		5,52	5,52
Laos		5,33	4,05	0,65				2,47		12,49	12,49
Malaysia		2,21		0,02						2,23	2,23
Mongolia		3,21	0,88	0,06		0,20		0,05		4,40	4,40
Philippines		23,70	2,36	1,04	3,48			30,45	0,07	61,10	61,10
Thailand		4,16	2,74	0,18	0,00			4,26		11,35	11,35

Timor-Leste			1,31	0,02	0,09							1,41	15,70	17,12
Viet Nam	23,91		1,11	0,54		0,63			2,76			28,95		28,95
Far East Asia, Regional	6,09		1,03	0,50								7,61		7,61
Asia, Regional	0,40	21,78	13,06	1,88	0,86					2,23		40,21		40,21
Oceania, Total		4,08	7,42	1,83	0,30				2,32			15,95	57,31	73,27
Cook Islands													1,00	1,00
Fiji		4,08	0,12	0,45	0,30				0,10			5,05	1,94	6,99
Kiribati													5,19	5,19
Marshall Islands									0,03			0,03	0,55	0,58
Micronesia, Fed. Sts.													0,39	0,39
Nauru													0,85	0,85
Niue													0,59	0,59
Palau													0,01	0,01
Papua New Guinea			0,48	0,79					1,46			2,73	8,12	10,85
Samoa			0,00						0,27			0,28	6,24	6,52
Solomon Islands			0,20	0,57					0,23			1,00	3,78	4,78
Tokelau														
Tonga			0,08						0,06			0,14	3,81	3,95
Tuvalu													1,21	1,21
Vanuatu			0,22						0,18			0,40	0,58	0,98
Wallis & Futuna													0,47	0,47
Oceania, Regional			6,31	0,01								6,32	22,57	28,89
Bilateral unallocated	128,68	8,37	130,77	7,65	30,38	5,42	3,09	45,61	46,82	15,97		422,76	49,05	471,81
Part I (ODA) Bilateral, Total	1.580,76	979,83	674,03	146,05	241,81	30,71	254,42	1.165,95	1.342,48	44,49	6.460,52	3.164,79	9.625,31	
Public Private Partnerships														
United Nations	4,59			3,80							4,15	12,54		12,54
UNRWA	4,59											4,59		4,59
UNDP														
WFP														
WHO														
FAO										0,78		0,78		0,78
International Monetary Fund (IMF)														

World Bank Group														
World Trade Organisation									1,87	1,87			1,87	
Regional Development Banks						13,54				13,54			13,54	
Other Multilateral Institutions		0,91							1,60	2,51	15,00		17,51	
GFTAM											15,00		15,00	
Others														
Part I (ODA) Multilateral Aid, Total	4,59	0,91		3,80		13,54			7,62	30,46	15,00		45,46	
Part I (ODA), Total	1.585,35	980,74	674,03	149,85	241,81	44,25	254,42	1.165,95	1.342,48	52,11	6.490,98	3.179,79	9.670,77	
Part II: Countries and Territories in Transition (non ODA)														
More Advanced Developing Countries	30,96	18,29	1,76	2,40	1,58		9,03	7,53	5,02	44,92	121,48	40,21	161,69	
Anguilla												3,50	3,50	
Aruba														
Barbados		0,54									0,54	8,41	8,95	
Bahrain				0,00							0,00		0,00	
Bahamas														
Bermuda														
Brunei														
Cayman Islands														
Taiwan				0,20							0,20		0,20	
Falkland Islands												0,16	0,16	
French Polynesia												8,21	8,21	
Gibraltar														
Hong Kong, China				0,02							0,02		0,02	
Israel	6,48		1,47	1,66				0,29	5,01		14,92		14,92	
Korea														
Kuwait														
Macao														
Mayotte												8,25	8,25	
Netherlands Antilles												0,41	0,41	
New Caledonia												0,06	0,06	
Oman														

Pitcairn Islands	0,23									0,72	0,95		0,95
Qatar													
Saint Pierre and Miquelon												4,14	4,14
Saudi Arabia													
Singapore													
St.Kitts-Nevis	9,54										9,54	0,77	10,31
Trinidad & Tobago	8,20							0,01			8,21	3,77	11,98
Turks & Caicos Islands												5,60	5,60
United Arab Emirates													
Virgin Islands (UK)													
MADCT Unallocated	24,24	0,29	0,51	1,58		9,03	7,24		44,20	87,09		0,43	87,52
CEEC's/NIS	4,46	2,01	5,65		2,60		77,50		38,86	131,08			131,08
Bulgaria	0,48						8,43			8,90			8,90
Croatia			0,19				28,61		0,18	28,98			28,98
Cyprus	0,04								21,02	21,06			21,06
Czech Republic													
Estonia	0,04								0,00	0,04			0,04
Greenland									17,04	17,04			17,04
Hungary	0,12						0,19		0,14	0,45			0,45
Latvia	0,04									0,04			0,04
Lithuania	0,05									0,05			0,05
Iceland							2,56			2,56			2,56
Malta	0,03									0,03			0,03
Poland	0,03						10,65		0,17	10,85			10,85
Romania							26,81		0,00	26,82			26,82
Russia	3,58	2,01	5,45		2,60				0,29	13,93			13,93
Slovak Republic	0,06						0,00		0,01	0,07			0,07
Slovenia							0,25			0,25			0,25
Europe Unallocated													
CEECs Unallocated													
Part II (Non-OA) Bilateral Aid, Total	35,42	18,29	3,77	8,04	1,58	2,60	9,03	85,03	5,02	83,78	252,56	43,71	296,27
EBRD													

Part II (non-ODA) Multilateral Aid, Total														
Part II (non-ODA), Total	35,42	18,29	3,77	8,04	1,58	2,60	9,03	85,03	5,02	83,78	252,56	43,71	296,27	
Total Part I & Part II	1.620,77	999,02	677,80	157,90	243,38	46,85	263,45	1.250,98	1.347,50	135,89	6.743,54	3.223,50	9.967,04	
BA Lines	59,12		100,30	10,04	8,80	1,37	0,45	50,01	9,61	3,43	243,12		243,12	
Other Flows	1,00	2,46	9,57	0,82	4,61			13,54	10,93	91,52	134,45	357,70	492,15	
Total Flows	1.680,89	1.001,48	787,68	168,75	256,79	48,21	263,90	1.314,53	1.368,04	230,84	7.121,11	3.581,20	10.702,31	

Breakdown by country/region of external aid financed on the General Commission Budget in 2014.
Bilateral and Multilateral ODA / non-ODA flows.

(1) DCI - Geo : Asia, Latin America, South Africa, Panafrica

(2) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes

(3) UNSCR 1244/99

(4) henceforth Moldova