



EUROPEAN  
COMMISSION

Brussels, 21.8.2013  
SWD(2013) 307 final

**COMMISSION STAFF WORKING DOCUMENT**  
*Accompanying the document*

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

**Annual Report 2013 on the European Union's Development and external assistance  
policies and their implementation in 2012**

{ COM(2013) 594 final }

## Table of Contents

1.	CHAPTER 1 - DELIVERING ON COMMITMENTS .....	3
1.1.	EU response to world developments in 2012.....	5
1.2.	Leading the way in development policy .....	9
1.2.1.	A more strategic approach: implementing the "Agenda for Change" .....	9
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 .....	13
1.3.1.	Progress in achieving the MDGs and preparation of the post-MDG framework .....	13
1.3.2.	Focusing on poverty .....	18
1.3.3.	Strengthening human rights and good governance .....	20
1.3.4.	Mainstreaming of cross-cutting issues .....	21
1.3.5.	Cooperation with non-state actors and local authorities .....	22
1.3.6.	Financing for development.....	24
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.....	29
1.4.3.	Cooperation with international organisations .....	30
1.4.4.	Coherence between development and other policies .....	32
1.5.	Outlook 2013.....	34
2.	CHAPTER 2 - IMPLEMENTATION: GEOGRAPHIC OVERVIEW .....	35
2.1.	European Neighbourhood and the Middle East .....	35
2.1.1.	European Neighbourhood & Russia.....	35
2.1.2.	Middle East .....	55
2.2.	Sub-Saharan Africa & all ACP programmes .....	58
2.2.1.	South Africa .....	72
2.2.2.	Intra-ACP programmes (including water and energy).....	75
2.3.	Latin America & the Caribbean .....	77
2.3.1.	Latin America.....	77
2.3.2.	Caribbean .....	90
2.4.	Asia, Central Asia & the Pacific .....	97

2.4.1.	Asia.....	97
2.4.2.	Central Asia.....	107
2.4.3.	Pacific.....	114
2.5.	OCTs.....	125
3.	CHAPTER 3 IMPLEMENTATION: THEMATIC OVERVIEW.....	128
3.1.	The thematic programmes.....	128
3.1.1.	Investing in people.....	128
3.1.2.	Non-state actors and local authorities in development.....	131
3.1.3.	Migration and asylum.....	132
3.1.4.	Environment and sustainable management of natural resources including energy.....	133
3.1.5.	Food security.....	136
3.2.	Democracy and human rights.....	140
3.3.	Stability.....	140
3.3.1.	Crisis response and preparedness.....	140
3.3.2.	Global and regional trans-border challenges.....	140
3.4.	Nuclear safety.....	140
3.5.	Humanitarian assistance.....	140
3.6.	Macro-Financial Assistance.....	140
4.	CHAPTER 4 MANAGING AID FOR RESULTS.....	140
4.1.	Monitoring project performance.....	140
4.1.1.	Project results: results-oriented monitoring.....	140
4.1.2.	Evaluation: review of the 2012 work programme.....	140
4.1.3.	Lessons learned.....	140
4.2.	Aid delivery modalities.....	140
4.2.1.	Developments in aid delivery modalities and channels.....	140
4.2.2.	Budget support.....	140
4.2.3.	Blending of grants and loans/innovative financing.....	140
4.3.	Progress in aid management.....	140
4.3.1.	Progress on qualitative issues in aid management.....	140
4.3.2.	Simplification of procedures.....	140
4.4.	Communication & transparency.....	140
4.4.1.	Communication and visibility.....	140
4.4.2.	Transparency.....	140
5.	CHAPTER 5 FINANCIAL ANNEX.....	140

5.1. Introduction to financial tables.....	140
5.2. Financial tables.....	140

## 1. CHAPTER 1 - DELIVERING ON COMMITMENTS

### Introduction

The European Union as a whole remains the largest donor of official development assistance (ODA) worldwide. In 2012 it provided collectively EUR 55.2 billion of ODA, which amounts to over 50 % of official global ODA (as reported by the OECD Development Assistance Committee - DAC).<sup>1</sup> 2012 was the first year of implementing the "Agenda for Change"<sup>2</sup> after its endorsement by the Foreign Affairs Council in May. Responding to the changing context of development cooperation it sets out a more strategic and effective approach to poverty reduction with a view to further increasing the impact of EU development policy.

The Agenda for Change inspired further discussions and proposals in 2012. The European Development Days (EDD) – an annual event for the debate of global issues and development cooperation – were held in Brussels in October 2012. They focused on inclusive and sustainable growth for human development in line with the Agenda for Change.

The recommendations of the Agenda for Change have also been incorporated into the proposals for the 2014-20 external financial instruments, as well as in the new programming instructions to EU Delegations. Several communications adopted during 2012 focused on specific aspects of the Agenda for Change. Throughout 2012 the EU pursued its policy of improving Policy Coherence for Development (PCD).

Supporting the objectives of "Sustainable Energy for All" (SE4ALL) gained important momentum in 2012. EU Development Commissioner Andris Piebalgs served as a member of the SE4ALL High Level Group launched by UN Secretary-General Ban Ki-moon. At the SE4ALL summit organised in April by the European Commission (henceforth the Commission) and the Danish Presidency of the Council of the European Union, Commission President José Manuel Barroso proposed the ambitious goal of helping developing countries to provide access to sustainable energy services to 500 million people by 2030. The Commission is mobilising significant resources to rapidly scale up its support for sustainable energy.

In the area of external relations, 2012 saw the deepening of relations with Europe's neighbours (with the goal of promoting democracy, stability and prosperity) and the continued building of strong strategic partnerships with existing and emerging global players. It was also the second full year of the operation of the European External Action Service (henceforth EEAS) which now oversees 141 EU Delegations worldwide.

Throughout the year, the EU continued to respond with determination to fast-changing situations in its Neighbourhood, with the aim of supporting and encouraging sustainable democratic transitions. The joint communication "Delivering on a new European Neighbourhood Policy"<sup>3</sup>, adopted in May, gave an assessment of the implementation of the

---

<sup>1</sup> Commission press release IP/13/299 [http://europa.eu/rapid/press-release\\_IP-13-299\\_en.htm](http://europa.eu/rapid/press-release_IP-13-299_en.htm)

<sup>2</sup> COM(2011) 637 final of 13.10.2011

<sup>3</sup> JOIN(2012) 14 final of 15.5.2012

new approach in the Neighbourhood. Accompanied by a set of joint staff working documents<sup>4</sup>, it showed the EU's speed in laying the policy's new foundations and that most partner countries have responded positively, indicating their readiness to pursue political and economic reform with increased determination and to engage more deeply with the EU. The joint communication "EU Support for Sustainable Change in Transition Societies"<sup>5</sup> adopted in October examines what the EU can offer in order to help countries in transition achieve successful and sustainable transformation.

The EU also swiftly cut back relations with countries violating human rights and imposed wide-ranging restrictive measures against repressive regimes. As a result, support was directed towards civil society and affected populations - most notably in Syria.

As part of its long-term commitment to the transition in Afghanistan the EU continued its work with international partners. It actively accompanied the process of reform and transition in Myanmar/Burma. The EU equally played a key role in reacting to the crisis in Mali and addressing security and development issues in the Sahel region.

Throughout 2012, the EU stepped up its engagement on regional and global challenges by promoting a more comprehensive and coherent approach through bringing together diplomatic initiatives, political dialogue, humanitarian aid, development assistance and security instruments (such as CSDP operations in the Horn of Africa and the Sahel). Since the adoption of the Horn of Africa Strategic Framework in November 2011, the political and security situation in the Horn of Africa (HoA) and the economic environment have developed favourably.

In 2012, the EU actively promoted development and stability in Asia and the Pacific by increasing the number of high-level bilateral visits and participating in regional fora (Asia-Europe Meeting (ASEM), Association of South-East Asian Nations (ASEAN), Pacific Islands Forum (PIF)). In particular, the EU signed new Partnership and Cooperation Agreements with Vietnam and the Philippines and acceded to the Treaty of Amity and Cooperation in Southeast Asia allowing wider cooperation across the policy board.

In 2012, the EU continued to vigorously support electoral processes around the world by sending Electoral Observation Missions and providing electoral assistance and support. It began preparations for the comprehensive "EU Strategic Framework and Action Plan on Human Rights and Democracy" across all EU external policies. This was in line with the Commission and EU High Representative for Foreign Affairs and Security Policy/Vice President (HR/VP)'s joint communication "Human Rights and Democracy at the Heart of EU External Action: Towards a More Effective Approach"<sup>6</sup>.

The strengthening of the UN remains a key element of EU external action. In 2012 the EU continued to give priority to international peace and security, sustainable development and human rights, as well as an effective reform of the organisation itself. Follow-up of the Rio+20 outcomes and the preparation of the 2013 special event to follow up on progress on the Millennium Development Goals (MDGs) and the post-2015 framework were of particular

---

<sup>4</sup> 12 country progress reports; two regional progress reports and a statistical annex.

<sup>5</sup> JOIN(2012) 27 final

<sup>6</sup> COM(2011) 886 final of 12.12.2011

note. Furthermore, the EU has continued to promote human rights, democracy and the rule of law. Following the 2011 adoption by the UN General Assembly, the EU has consolidated its ability to effectively represent the Union at the UN as envisioned by the Lisbon Treaty.

Progress was also made towards attaining the poverty reduction targets of the MDGs. For example those related to reducing extreme poverty, the provision of universal primary education, gender equality in primary education, and access to water have been - or are likely to be - reached by 2015. However, the world is still off-track at the global level as progress has been variable across regions, countries and population groups. Several targets linked to maternal and child mortality and access to sanitation are off-track.

### **1.1. EU response to world developments in 2012**

Changes in the Arab world once again underlined the urgency of resuming negotiations between **Israel and the Palestinians**. During 2012, the EU continued to encourage both parties to return to the negotiating table in line with the Quartet statement of September 2011. Regrettably, despite the support of Jordan at the beginning of the year, these negotiations were not resumed. Reaffirming its commitment to a two-state solution, the EU expressed its increasing concern about developments on the ground that were threatening to make such an outcome impossible.

In response to the dramatic deterioration of the situation in **Syria**, the EU decided in 2011 to suspend bilateral financial assistance to the government of Syria and to impose a strong package of sanctions. At the same time the EU stepped-up its assistance to the Syrian population affected by the crisis and the overall EU contribution for humanitarian assistance reached almost EUR 300 million. The EU continued to call on the members of the UN Security Council to uphold their responsibilities in view of reaching a political solution to the conflict. The December Foreign Affairs Council (FAC) accepted the National Coalition of the Syrian Revolutionary and Opposition Forces as legitimate representatives of the Syrian People.

In the case of **Libya**, the EU sought to engage the provisional authorities in a dialogue covering key issues of concern. It continued to accompany the process of democratic transition, notably through the deployment of an EU Election Observation Mission (EU EOM) for the July General National Congress elections and through assistance to civil society, the security sector and governance.

The EU has increased its support to those other partners engaged in political and economic reforms, offering the prospect of deeper economic integration to Morocco, Tunisia, Jordan and Egypt, while also proposing to negotiate mobility partnerships. The Commission also stepped up support to civil society organisations throughout the region.

The EU continued to support sustainable reforms in **Eastern European countries** and to advance the political association and economic integration agenda with its partners. The main goal of the Eastern Partnership (EaP) remains to create conditions favourable to accelerating political association and deepening economic integration between the EU and Ukraine, Belarus, the Republic of Moldova, Armenia, Georgia and Azerbaijan. In May, the HR/VP and the Commission issued a roadmap listing key objectives, reforms which partners have committed to, EU support and expected results. This policy was endorsed by the EaP foreign ministers at their meeting in July 2012.

Good governance, respect for human rights and economic reforms have remained priorities in EU policy towards **Africa**. In support of relevant regional organisations, the EU was engaged in finding solutions to political problems in countries subject to Article 96 of the Cotonou Agreement (Zimbabwe, Madagascar, Guinea-Bissau, Guinea-Conakry). The EU has supported the constitutional transfer of powers in Malawi and Ethiopia and provided assistance to electoral processes in several countries including Senegal, Sierra Leone and Ghana.

Since 2010, in close coordination with the Governments of Mali, Niger and Mauritania, the EU prepared and implemented the EU Strategy for Security and Development in the **Sahel** with the objective of simultaneously promoting security, good governance and development at local, national and regional levels. In 2012, the implementation of the strategy helped to address the longer-term security and development impacts of the crisis in Libya.

In **Mali**, a coup d'état by the army in March 2012 precipitated a terrorist takeover and the violent imposition of an extreme version of Shari'ah Law in northern Mali, and political paralysis in the south. The EU played a key role bringing about international mobilisation, working to unblock the political situation, lead measures to rebuild the army and thus contributing significantly to the efforts of the African and French forces which intervened at Mali's request - and with UNSC approval - in early 2013. The EU remains determined to make a substantial contribution to the reconstruction, stabilisation and peace-building process in the north of the country in particular. The deployment of an EU CSDP training mission for the Malian Defence Forces was decided to help restore the chain of command, generate a credible threat of force and to inculcate a respect for international humanitarian law. The EU also committed to contribute financial support to an African-led International Support Mission in Mali.

In **Niger**, a new CSDP mission (EUCAP SAHEL) was launched in July 2012 to train internal security forces and reinforce coordination with Mali and Mauritania to tackle criminal activities, such as drug trafficking and terrorism. Several related counter-terrorist and security actions were accelerated and substantial additional funds provided to strengthen security management in the region.

The EU Strategic Framework for the **Horn of Africa** (HoA), adopted in November 2011, was implemented in 2012 through sub-strategies and action plans, including: the EU



Comprehensive Approach to South Sudan; the development of counter-terrorism action plans to oppose the threats of terrorism and piracy, a discussion paper on the EU's approach in post-transition Somalia and the "Supporting the Horn of Africa's Resilience" (SHARE) initiative to improve the ability of people to withstand food insecurity and malnutrition. Additionally, a wide range of development cooperation projects and four CSDP missions and operations<sup>7</sup>, currently ongoing in the HoA are contributing towards achieving the objectives of the Strategic Framework. The EU Special Representative (EUSR) for the HoA, working closely with the EUSR for Sudan and South Sudan, was appointed in December 2011 to contribute to the implementation of the Framework. In line with his mandate, the EUSR's focus during this first year was primarily on Somalia and, with the end of the political transition, is beginning to shift to the regional dimensions of the Somali conflict. Finally, with the exception of the European Union Aviation Security Mission (EUAVSEC), an EU Operations Centre was activated in March 2012 to support and coordinate EU CSDP action under the guidance of the Political and Security Committee (PSC).

The coups d'état in Mali in March and Guinea Bissau in April increased the threat of organised crime which had reached new levels of internal organisation and links to international terrorism. The increasing incidences of crimes such as piracy, the trafficking of drugs, people and arms etc. highlighted the need for an overall EU approach to crime in the wider Gulf of Guinea region (including the Sahel and Northern Nigeria). The need for a cohesive strategy was recognised and planning was started.

The first visit of President Kiir of **South Sudan** to Brussels in March 2012 was an important step towards developing a close and long-term partnership with South Sudan, the world's newest state, ranging from development cooperation to peace and security. In addition to pioneering joint programming with South Sudan, the EU launched the EUAVSEC mission in October 2012 to strengthen security at Juba International Airport. It is the EU's first engagement in the country under the EU's Common Security and Defence Policy. In cooperation with the African Union (AU), the UN and international partners, the Special Representative for Sudan and South Sudan continues to be at the fore of the EU's efforts to support the resolution of outstanding issues between both states.

After the Presidential and Parliamentary elections of 28 November 2011 in the **Democratic Republic of the Congo (DRC)** the EU EOM made a series of recommendations to improve the next stages of the current electoral cycle (in provincial and local elections). Following the resumption of the conflict in eastern DRC, the EU promptly mobilised its efforts and diplomatic instruments, sparing no effort to contain the conflict and limit its humanitarian consequences. Alongside Presidents Kabila and Kagamé, President Van Rompuy participated in a UN high level meeting on the situation which provided an opportunity to condemn the rebellions in DRC and to encourage political solutions based on dialogue.

---

<sup>7</sup> Eunavfor Atalanta, EUTM Somalia, EUCAP Nestor and Euavsec at Juba Airport

With its impressive economic performance, increasingly solid and widespread commitment to democratic values and human rights, and rising influence in multilateral organisations, the **Latin American and Caribbean region** continued to increase in importance for the EU during 2012.

In June 2012 both the Association Agreement between the EU and **Central America** and the Free Trade Agreement with Colombia and Peru were signed. Another essential step forward was the FAC's approval of the EU-Caribbean Joint Strategy in November, a significant document concerning relations with the Caribbean sub-region.

The EU and **the Association of Southeast Asian Nations (ASEAN)** intensified relations adopting of a Plan of Action for the period 2013-17 at the 19th Foreign Ministers' Meeting in April in Brunei. The HR/VP also attended the 19th ASEAN Regional Forum ministerial meeting in July in Phnom Penh where she signed the EU's accession to the Treaty of Amity and Cooperation in South East Asia with the ten ASEAN Foreign Ministers. Further advancing the dialogue on issues of mutual security, the EU-ASEAN Senior Officials Consultation on Terrorism and Trans-national Crime took place in Bangkok in September. The 9th ASEM Summit on 5 and 6 November in Laos was another opportunity for Europe and Asia to continue their region-to-region dialogue.

On 28 April, the HR/VP inaugurated a new Office in **Myanmar/Burma**. As early as February on the occasion of European Commissioner for development Andris Piebalgs' visit, the EU had decided on an exceptional package of development assistance for 2012-13 amounting to EUR 150 million, to support better access to education and healthcare and improve livelihoods of the Burmese population and to provide capacity building to some key ministries. The EU also supports the ethnic peace process through its assistance to people uprooted and affected by conflicts in Myanmar/Burma. During his visit to Myanmar/Burma in November, the President of the European Commission José Manuel Barroso reaffirmed the EU's support for the substantial reforms already underway and announced an EU contribution of EUR 700 000 as start-up funding to the Myanmar Peace Centre.

In June 2012, the FAC underlined the strategic importance of **Central Asia** for the EU in review the EU-Central Asia Strategy. The Council also highlighted security challenges associated with developments in Afghanistan. A high-level dialogue on the issue was agreed with Central Asian governments by HR/VP Ashton, at the EU-Central Asia ministerial meeting and during her subsequent tour of the region in November 2012. Human rights and the need to engage further with civil society remain important concerns for the region.

The Council conclusions in May reaffirmed the long-term commitment of the EU and its Member States to support **Afghanistan** during its transition, pledging to maintain levels of assistance post-2014 and to support Afghan efforts to strengthen civilian policing and rule of law. At the Tokyo conference in July, a mutual accountability framework was established which established the benchmarks for continuation of international support. Negotiations on the Cooperation Agreement for Partnership and Development (CAPD) were also launched.

## **1.2. Leading the way in development policy**

### **1.2.1. A more strategic approach: implementing the "Agenda for Change"**

The Commission's proposals presented in the communication "Increasing the Impact of EU Development Policy: An Agenda for Change"<sup>8</sup> were endorsed by the Foreign Affairs Council (FAC) on 14 May 2012.

The "Agenda for Change" sets out a more strategic approach to poverty reduction aiming at further increasing the impact of EU development policy. To this end, it proposes a series of key changes in the way EU assistance is delivered. These include, *inter alia*, a differentiated approach so that grant aid is directed where it is most needed and can have the greatest impact in terms of poverty reduction; concentration on a maximum of three sectors per country; focus on good governance, democracy and human rights, and inclusive and sustainable growth; greater use of innovative financing mechanisms; improved policy coherence and increased coordination and joint actions with Member States (for more details see chapter 1 part 4).

The recommendations of the Agenda for Change have been integrated into the proposals for financial instruments for the period 2014-20, as well as into the new programming instructions to EU Delegations.

In the context of the Development Cooperation Instrument (DCI), the Commission has, among other things, proposed to stop bilateral aid to most upper middle income countries and certain large emerging economies which have sufficient domestic resources to address poverty, while considering new forms of partnership with these countries.

Within the programming exercise initiated in 2012, the Commission and the EEAS has also undertaken to ensure that EU development cooperation at country level concentrates on a maximum of three sectors, drawn from the two overarching priorities of human rights, democracy and good governance and inclusive and sustainable growth.

Moreover, to further strengthen policies in priority areas, the Commission issued specific communications in 2012 on "Social Protection in European Union Development Cooperation", "The Roots of Democracy and Sustainable Development: Europe's Engagement with Civil Society in External Relations" and "The EU Approach to Resilience: Learning from Food Crises".

In 2012, the Commission increased the use of blending, where grant and non-grant resources such as loans and equity are combined to create the right financing-mix for specific projects. The EU established three new blending mechanisms for Asia, the Caribbean and the Pacific. As a result, EU grants of more than EUR 400 million made investment projects in beneficiary countries possible, with a total project volume of approximately EUR 10 billion. The EU Platform for Blending in External Cooperation was launched in December to further improve the performance of blending mechanisms.

---

<sup>8</sup> COM(2011) 637

The EU and its Member States have also taken steps to improve coordination and to make progress on joint programming (see chapter 1 part 1.4).

Commission services began defining an overall results reporting framework and on reforming monitoring and reporting systems relating to the implementation of projects and programmes. The Commission also organised discussions with Member States' experts to explore common approaches to reporting results.

The approach to future EU budget support to third countries<sup>9</sup> was endorsed by the FAC on 14 May 2012 and translated into practice (for further details see chapter 4 part 2.2).

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

In recent years there has been an increase in the number of natural and human disasters, such as droughts and conflicts in addition to the emergence of long-term challenges that have led to increased food prices. In countries where many people have insufficient access to food these factors have contributed further to the vulnerability of the poorest. The EU has increased its support to developing countries to strengthen their resilience to such shocks, for example, by adapting and enhancing agricultural methods. In this respect, 2012 marked a critical year.

The communication "The EU Approach to Resilience: Learning from Food Security Crises", adopted by the Commission in October 2012, outlined ten critical steps to increase resilience for the world's most vulnerable people. These ranged from the design of national resilience strategies and disaster prevention/management plans to efficient early-warning systems in disaster-prone countries and innovative approaches to risk management.

The policy builds on the promising results of the EU's resilience-boosting initiatives in the Sahel and the HoA, which formed part of its response to the droughts in these regions. The Alliance Globale pour l'Initiative Résilience (AGIR-Sahel) and Supporting Horn of Africa Resilience (SHARE) seek to break the vicious cycle of drought, hunger and poverty through sustained coordination between humanitarian and development assistance. (See box in section 2.2 for more details on AGIR-Sahel and SHARE). Preparation began in autumn 2012 on a communication to enhance maternal and child nutrition, with a particular focus on reducing both stunting and wasting; adoption is foreseen for March 2013.

#### **EU assistance saves two million lives in Niger**

Over a period of four months, EU food security assistance to Niger helped save an estimated two million lives. The assistance, allowing for the purchase of grain and the setting-up of cash-for-work programmes, was exclusively channelled through the national government's food security mechanism and covers the needs of one third of the population. Thanks to prompt and decisive action, a more serious situation was avoided.

A communication on EU Support for Sustainable Change in Transition Societies was adopted in October<sup>10</sup>. It examines what the EU has to offer to help countries in transition to democracy, building on its own experiences in the enlargement process, neighbourhood policy and development cooperation. It also sets out a number of concrete measures to

<sup>9</sup> COM(2011) 638

<sup>10</sup> JOIN(2012) 27 final

improve the way in which the EU supports these countries so that they can achieve lasting reforms and avoid backsliding.

The European Commission continued to play a key role in international negotiations on the environment and development. Highlights from 2012 include participation in the Rio+20 UN Conference on Sustainable Development in June 2012, the 11th Conference of the Parties (COP11) of the Convention on Biological Diversity (CBD) in Hyderabad in October 2012, and the COP18 of the UN Framework Convention on Climate Change in Doha in December 2012.

At the UN Conference on Sustainable Development (Rio+20) a declaration "The Future We Want" was adopted. It was recognised for the first time that an inclusive green economy is an important tool in achieving sustainable development and reducing poverty. It also acknowledged that urgent action is needed to tackle unsustainable patterns of production and consumption. The possibility emerged to work with a broad range of willing countries to develop policies on the green economy as a common undertaking. It was decided to develop Sustainable Development Goals (SDGs) and options for an effective sustainable development finance strategy. The EU also secured international engagement in areas such as water, oceans, land and ecosystems, food security, energy, sustainable consumption and production (SCP) and social protection.

During the climate change negotiations at COP18 in Doha in December 2012, the EU continued to play a leading role in pushing for new and more ambitious agreements on emission reductions. These will allow global average temperature increases to remain below the two degrees that scientists consider the threshold to avoid "dangerous" and unmanageable consequences. The Doha outcome was a step in the right direction: it agreed to a second commitment period of the Kyoto Protocol and a work plan for reaching a new agreement in 2015 covering all countries (both developed and developing) which will enter into force in 2020. While the global agreement is not yet a reality, fieldwork to address climate change began several years ago and the EU remains an important supporter of the need to mitigate its effects through adaptation and cooperation with its partner countries throughout the world.

At the CBD COP11, parties, including the EU, agreed on the ambitious target of doubling total biodiversity-related international financial resource flows to developing countries by 2015 and then to at least maintain this level until 2020. The EU is the largest contributor of biodiversity-related international finance to developing countries, representing 53 % of total aid for biodiversity. The protection and enhancement of biodiversity and ecosystem services provides significant benefits for development and the green economy, and contributes to the overall aim of eradicating poverty.

### **Responding to Rio +20: expanding support for transition towards a green economy and green business development**

Greening the economy is an imperative if we are to halt the continuous and accelerating degradation of the environment and the planet's natural capital which are the very foundations for economic and human development as we know it. In the face of the numerous global crises (environmental, social, and financial) and increasing poverty and inequality, the green economy model offers a perspective for generating economic growth which is both inclusive and environmentally sustainable.

Advancing the transformation towards a green economy requires a range of support measures with which to carry out change at the national and global level. These include capacity development, technical assistance and financing. The Rio+20 Declaration "The Future We Want" invites stakeholders to support developing countries – particularly the least developed – upon request, to achieve sustainable development, *inter alia*, through green economy policies. In this, the international donor community, alongside other actors such as financial institutions (including the banking sector) and the business community at large, has a key role to play.

The EU responded to this challenge by extending existing programmes such as Forest Law Enforcement, Governance and Trade (FLEGT) and developing new initiatives and partnerships. These include:

- the SWITCH family of programmes which have been expanded with a new phase of SWITCH Asia as well as new activities in the Mediterranean and Eastern Neighbourhood. These programmes aim to support SCP and the development of a green business sector that generates growth, creates jobs and reduces poverty in a way that is consistent with the principles of sustainable development.

- the UNEP Green Economy Advisory Service<sup>11</sup>, which supports governments with initiatives to transform and revitalise their economies, has been extended to the Caribbean region. Additional joint programmes have also been developed with the UNEP supporting policy development and concrete actions in the field of eco-labelling and sustainable public procurement, as well as resource efficiency and eco-innovation in a number of developing countries. Policy development and guidance relating to trade and green economy opportunities have also been developed.

- a second phase of the SEED Initiative<sup>12</sup>, a global partnership for sustainable development that aims to support development of social and environmental entrepreneurs, was launched.

- green business development is supported through country programmes, as is the case in Lebanon.

### **1.2.3. Making a difference: new instruments and aid modalities**

The external financial instruments proposed by the Commission on 7 December 2011 provide the tools for more prominent, flexible and effective European external action over the period 2014-20. They pursue the strategic objectives of EU external policy based on the Europe 2020 strategy, which provides a global vision of future EU action in a changing and globalising world. They translate, in operational terms, the priorities of the Agenda for Change and of the new vision for the European Neighbourhood Policy (ENP).

The new instruments will allow the EU to respond to global challenges (such as climate change and hunger), to promote the EU's values and support its interests abroad. They will also increase the impact of EU action to work to eradicate poverty in the world and invest in

---

<sup>11</sup> <http://www.unep.org/greeneconomy/AdvisoryServices/tabid/4603/Default.aspx>

<sup>12</sup> <http://www.seedinit.org/>

the long-term prosperity and stability of our Neighbourhood. Furthermore, they will help us to strengthen international security, to take steps to prevent natural or man-made disasters, and to respond more effectively when they occur.

In the midst of a global economic crisis, the EU must direct its resources where they are most needed and where they will have the greatest impact and added value. All instruments have been revised so that they are better adapted to the evolving international context by permitting greater flexibility and reactivity, making them better equipped to face these new challenges. Examples include the Arab Spring with the European Neighbourhood Instrument and promoting EU interests abroad and underpinning strategic relations with emerging economies (such as China, Brazil and India) with the new Partnership Instrument. The new instruments are based on the following:

- **a differentiated approach** will be used in the DCI with bilateral cooperation benefiting the poorest countries where the EU will continue to deliver long-term programmed assistance focusing on poverty eradication. Allocation will be based on needs, capacities, commitments and potential impact. When it comes to strategic emerging economies, the EU will focus primarily on other forms of partnership and will seek to better promote its own strategic interests.

- **strengthened accountability** will be applied and the allocation and disbursement of funds linked to the progress made in implementing commitments by the partner countries. Respect and promotion of human rights, democratic values and the rule of law will also underpin EU external action under the new instruments.

- **increased flexibility** in the allocation of funds will allow a response to urgent needs and to crisis situations with the possibility of using non-programmed amounts. Flexibility is key to rapidly sourcing development money in order to jump-start the recovery and transition process of a country emerging from crisis.

- **using resources strategically** by blending EU grants with other non-grant resources such as loans and equity will unlock additional public and private financing for investment projects in partner countries. This innovative use of grants is designed to increase the impact of EU external cooperation and development policy.

### **1.3. Keeping long-term promises**

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

##### **Poverty and hunger**

According to most recent figures available<sup>13</sup>, the world has reached its objective of halving the number of people living in extreme poverty ahead of the target fixed in the Millennium Declaration in all geographic regions, including in sub-Saharan Africa.

---

<sup>13</sup> <http://www.un.org/millenniumgoals/pdf/MDG%20Report%202012.pdf>

In 2012 global statistics highlighted that the people going hungry had declined, indicating that 55 million people had improved their food security; however, there remain 870 million people without access to sufficient food. The EU is committed to seeing this number decline further.

### **EU food facility improves the lives of 59 million**

In three years, the EU's EUR 1 billion food facility has improved the lives of over 59 million people in 49 countries and provided indirect support for some 93 million others. Two programmes that helped facilitate these advances are a livestock vaccination programme, which has resulted in the inoculation of over 44.6 million livestock, and a training programme in agricultural production for 1.5 million people.

Fighting undernutrition is vital; in 2012 the EU committed itself to supporting partner countries in reducing the number of children who suffer from stunted growth by at least 7 million by 2025. Commissioner Piebalgs currently serves as a member of the Scaling Up Nutrition (SUN) movement Lead Group, which provides strategic direction for the movement. He also attended the Global Event on Nutrition held in London in August, where he reiterated that the Commission was ready to support partner countries to reach their targets to reduce the number of stunted children. The EU played an active role in May at the G8 Summit where a 'New alliance to improve food security and nutrition' was launched. The EU also played an important role at the latest G20 to make nutrition a top priority for world leaders.

Too often, the most vulnerable members of society are left behind in the creation of wealth and in sharing the benefits of growth and development. The lack of social protection represents an obstacle to long-term and sustainable development and the extension of basic social protection guarantees remains a major challenge in many countries for the coming years. Subsequent to a broad consultation process, the Commission adopted the first communication on social protection in EU development cooperation<sup>14</sup> in August 2012. It outlines how future EU aid should work to support the development of nationally owned social protection policies and programmes, including social protection floors. Social protection is included in the goals proposed by the High Level Panel on the Post-2015 Agenda and put forward in the Open Working Group on Sustainable Development Goals. Following a request from the Council<sup>15</sup>, the Commission is examining how best to integrate social protection in the post-2015 development agenda and to ensuring that social protection is included in policy dialogues with partner countries.

### **Social protection: increasing opportunity and reducing inequality**

A lack of social protection can be a barrier to long-term and sustainable development and contribute to inequality. The EU works to improve employment conditions, support job creation, self-employment and income generating activities, to improve jobs for decent work, and combat child labour.

Some examples of this are in the area of waste collection and recycling where the EU has supported pre-collectors, waste workers, and recyclers in Ho Chi Minh City (Vietnam), Bogota (Colombia), Addis Ababa (Ethiopia) and Antananarivo (Madagascar). This support

<sup>14</sup> COM(2012) 446 "Social Protection in European Union Development Cooperation"

<sup>15</sup> Council Conclusions on Social Protection in EU Development Cooperation 14538/12



aims to reinforce workers' organisational abilities, increase revenue social inclusion, value their profession and give them access to adequate and long-lasting social protection.

## **Environmental sustainability**

The MDG on sustainable access to drinking water was reached five years ahead of the 2015 deadline. The objective of ensuring that 88% of the world's population can benefit from a reliable supply of safe drinking water supply was slightly exceeded<sup>16</sup>. This achievement reflects the concerted effort of the international community, to which the EU made a prominent contribution through financial support delivered through the national and regional indicative programmes, the Water Facility and the MDG initiative.

However, huge disparities continue among regions but also between rural and urban areas. While coverage of improved water supply sources amounts to 90% or more in Latin America and the Caribbean, Northern Africa and large parts of Asia, it is only 61% in sub-Saharan Africa. Worldwide 96% of urban population had accessed to improved water supply services in 2010 against 81% of the rural population. The sanitation MDG still remains off track, with no more than 63% of the world's population having access to improved sanitation against the aim of 75% by 2015. Here again, 44% of rural population has no access to an improved basic sanitation against 8% in urban areas in 2010. Complementary efforts concerning water quality are also to be taken into account in defining targets and policies<sup>17</sup>.

The EU is a key player and leads internationally recognised initiatives on environmental sustainability:

- the Global Climate Change Alliance (GCCA): by the end of 2012 over 45 GCCA programmes financed from an envelope of more than EUR 285 million were being run or in preparation in more than 35 countries
- the EU Forest Law Enforcement, Governance and Trade (FLEGT): Ghana, Liberia, CAR, Congo, Cameroon and Indonesia concluded a Voluntary Partnership Agreement (VPA). Interest in FLEGT increased with Guyana, Honduras, Laos and Ivory Coast asking to enter VPA negotiations. Vietnam, Malaysia, Gabon and DRC countries are still in the negotiation process.
- the ACP-EU Water Facility: a call for proposals was launched and 15 projects were selected. Two projects were approved within the Pooling Mechanism.
- the EU MDG Initiative: a call for proposals on sanitation was launched within the Facility. In addition, under the EU MDG Initiative, EUR 266 million was committed in 2012 to contribute to water and sanitation MDGs in 19 ACP countries.

## **Sustainable energy**

Worldwide 1.3 billion people lack electricity to light their homes for studying or to conduct business. It is therefore clear that sustainable development is not possible without sustainable energy. Moreover, nearly 40% of the world's population rely on wood, coal, charcoal, or

---

<sup>16</sup> 'Progress on Drinking Water and Sanitation 2012' produced by the WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (<http://www.wssinfo.org/>)

<sup>17</sup> "Drinking water: Equity, Safety and Sustainability" produced by WHO/UNICEF, 2011 ([http://www.wssinfo.org/fileadmin/user\\_upload/resources/report\\_wash\\_low.pdf](http://www.wssinfo.org/fileadmin/user_upload/resources/report_wash_low.pdf))

animal waste to cook their food breathing in toxic smoke that causes lung disease and kills nearly two million people a year, most of them women and children.

During the EU SE4ALL Summit in April President Barroso therefore proposed the ambitious goal of helping developing countries provide access to sustainable energy services to 500 million people by 2030. The Commission committed EUR 400 million to energy-related actions in Sub-Saharan Africa through blending. It is also rolling out a EUR 65 million EU technical assistance facility and more than EUR 75 million from the Intra-ACP envelope will be dedicated to rural electrification projects.

### **EU supports the construction of a photovoltaic power plant in Burkina Faso, the largest in West Africa**

Currently, only 15% of the Burkinabe population have access to electricity and the country still heavily depends on energy imports. The strong reliance on fossil fuels has a negative impact on the environment. Located in Zagtouli, on the outskirts of the capital Ouagadougou, the new power plant will have 96 000 solar panels. It will provide 32 gigawatt hours per year, the equivalent of 6% of the country's current electricity production. This will cover the energy consumption of around 400 000 people. EU support for the power plant amounts to EUR 25 million; the European Investment Bank (EIB) and the French Development Agency (AFD) provide loans of a total of EUR 38 million.

In the framework of the EU Energy Initiative and the Africa-EU Energy Partnership, a stakeholder forum was organised in 2012. It allowed private sector, civil society and research stakeholders in Europe and Africa to explore opportunities and potential synergies.

### **Education**

Good progress has been made in primary school enrolment, with the global average net enrolment ratio reaching 89 % in 2010. Girls are now almost as likely to be enrolled as boys. However, secondary school enrolment is lagging behind at 66 %. Furthermore, progress towards universal primary enrolment has slowed and inequalities in accessing education persist. They are related to extreme poverty, marginalised populations and conflict-affected areas.

In the programming period 2007-13, the EU has supported education and training in 45 countries as a focal sector with a total of EUR 2.8 billion. In the same period, EU higher education programmes were supported with EUR 1.2 billion.

### **40 000 Somali students gain access to education**

Since 2010, the Commission has helped more than 40 000 students in Somalia to gain access to basic, primary and secondary education. With one of the lowest literacy rates in the world - an estimated 80 % of Somalis are considered illiterate - the Commission has focused on raising levels of literacy by building or rehabilitating over 330 classrooms. With 4 000 primary and secondary teachers qualifying and 5 280 trainees enrolling in vocational training thanks to EU funding, the development of skills and promotion of employment looks set to continue.

In the Global Partnership for Education, the Commission focused on reinforcing local education groups and promoting aid effectiveness. Teaching issues were a special focus for

the Commission in the International Task Force on Teachers for Education for All. The Commission also reinforced contacts with the Association for the Development of Education in Africa to promote education policy dialogue between donors and African partners. It also played a prominent role in the triennial conference "Critical Skills for Sustainable Development in Africa" in February 2012 in Ouagadougou.

A Memorandum of Understanding between the EU and UNESCO was prepared and signed in 2012.

### **Gender equality**

Girls have benefited most from the increase in child enrolment in primary schools since 2000. Despite the fact that girls generally face greater barriers at the secondary level, on average parity between both genders has almost been attained. However, Africa lags behind with 82 girls per 100 boys enrolled in secondary education. The greatest regional differences appear in higher education with Africa at 62 girls per 100 boys compared to the developing world as a whole where parity has been achieved.

Measured by the extent to which women have equal access to job opportunities, their share is increasing slowly, having risen from 35 % in 1990 to 40 % 20 years later.

Additionally, there has been progress in women's representation in parliaments, albeit at a slow pace. Female representation in parliaments within the developing world has risen from 12 % to 18 % from 2000-2012 compared to the developed world which saw an increase of 16 % to 23 % in the same period.

#### **A bigger role for women in politics in Egypt**

Women's rights represent 25 % of the EU's ongoing support to civil society in Egypt. The EU aims to address the obstacles to women's full enjoyment of their basic rights. Activities supported include election monitoring, raising awareness of election violations and promoting women's participation in electoral campaigns.

### **Health**

There is global progress towards the health-related MDGs. However, achievements are often unequally distributed in and across countries. Children are significantly less likely to die of disease or malnutrition since the launch of the MDGs in 2000, while global HIV infections continue to decline (with the exception of Eastern Europe) and access to anti-retroviral drugs has increased. There have been big improvements in maternal health and a reduction in maternal deaths, but progress remains slow. There has also been a reduction in adolescent childbearing and an increased use of contraceptives since the launch of the MDGs, albeit at a slower pace. In particular, Sub-Saharan Africa and fragile and post-conflict countries lag behind. In 2012 major programmes implementing the 2011 EUR 1 billion MDG Initiative were set in motion in Ghana, Zambia and Botswana.

Addressing maternal mortality requires strengthening comprehensive healthcare systems, as stated in the 2010 Council conclusions on global health<sup>18</sup>. The EU is delivering on its

---

<sup>18</sup> Council 2010, Council conclusions on the EU role in Global Health; 3011th Foreign Affairs Council meeting Brussels, 10.5.2010  
<http://register.consilium.europa.eu/pdf/en/10/st09/st09644.en10.pdf>

commitments to aid effectiveness in the health sector by using bilateral programmes to accelerate progress towards achievement of the health-related MDGs.

### **Improving maternal and child health in South Sudan**

The EU is helping to improve maternal and child health in South Sudan, which has indicators that are among the lowest in the world: South Sudan has 19 midwives, yet needs 2 000. By contributing to a pool to deliver basic services, the EU has strengthened the healthcare system and supported county hospitals through comprehensive emergency obstetric care and the building up of human resources.

Globally, the EU supported the International Health Partnership in promoting the harmonisation and alignment of health support to one national health strategy, one health budget and one monitoring framework. The EU has used its influence on the Board of the Global Fund to fight Aids, Malaria and Tuberculosis as well as to introduce a new funding model more aligned with national strategies and plans.

### **Preparation of a post-2015 framework**

Preparation for the UN Special Event to follow up on efforts made towards achieving the MDGs (September 2013) and more generally the post-2015 framework gained momentum throughout 2012 and Commissioner Piebalgs was appointed as a member of the UN Secretary General's High Level Panel on post-2015. At EU level a communication, taking into account the outcome of a public consultation<sup>19</sup>, is expected to be adopted in February 2013 setting out the principles for an EU approach to an overarching post-2015 framework bringing together poverty eradication and sustainable development, including the follow-up to the Rio+20 Conference. The approach is expected to be adopted by the Council in June 2013.

#### **1.3.2. Focusing on poverty**

The Lisbon Treaty puts fighting poverty at the core of European external and development policies. The EU has already done much to help reduce poverty and in particular to support the achievements of the Millennium Development Goals (MDGs). The EU and its Member States are collectively the largest donor, as reported by the Development Assistance Committee (DAC) of the OECD. Even though the global economic and financial crisis, exacerbated by the food and energy crisis have seriously challenged prospects for poverty reduction, progress has nevertheless been made towards reaching the targets of the MDGs. However, this has been highly uneven among regions, countries and population groups.

In April 2011, no low-income fragile or conflict-affected country had achieved a single MDG and few are expected to meet any of the targets by 2015. According to the World Bank nearly 1.3 billion people in the world remain below the extreme poverty line with an income of USD 1.25 or less a day. Another 2.6 billion live on less than USD 2 a day and more than 870 million people do not have enough to eat.

#### *Progress in reducing poverty*

---

<sup>19</sup> [http://ec.europa.eu/europeaid/how/public-consultations/towards\\_post-2015-development-framework\\_en.htm](http://ec.europa.eu/europeaid/how/public-consultations/towards_post-2015-development-framework_en.htm)

All EU partners in Eastern Europe and the Caucasus covered by the European Neighbourhood and Partnership Instrument (ENPI) are now classified as Middle–Income Countries (MICs). While poverty in the region has been reduced, social inequality and exclusion are still increasing at country and regional levels. Regional needs are significant. Although the Republic of Moldova<sup>20</sup> has been reclassified as a low–middle income country, it remains Europe’s poorest country.

Mediterranean countries covered by the ENPI also have to cope with poverty (all of them, apart from Israel and Palestine, belong to the MIC category). The Arab Spring offers an opportunity for the southern Neighbourhood to carry out reforms needed for better governance and inclusive and sustainable growth for progress on poverty reduction.

EU assistance through the ENPI provides major support to reduce poverty. Apart from Syria, the most difficult social situation remains that of Palestine where, despite humanitarian assistance, more than 30 % of the Palestinian population still live in poverty.

Iraq on the other hand is trying to emerge from the peak of violence in recent history. More than 23% of Iraq’s population is still below the poverty line, which affects mostly vulnerable parts of the society (such as widows, internally displaced persons (IDPs) and orphans). In parallel, Iraq is experiencing a constant GDP growth in the last couple of years (almost 10 % in 2011). This is mostly due to the increase of crude oil exports as well as subsequent investments.

Sub-Saharan Africa has managed to cope with the crisis better than expected and its growth rates are above pre-crisis levels. As a result, many African countries have made progress towards the MDGs. For example, four countries: Cape Verde, Ethiopia and Ghana are projected to achieve most of the MDGs, if not by 2015, then soon thereafter. However, serious challenges remain. About half of the population still lives on USD 1.25 a day, and development progress is neither reaching those most in need nor vulnerable groups. Weak governance is another challenge.

Despite a significant growth rate of the Asian economies, poverty is still widespread on the continent. Afghanistan, Bangladesh, Cambodia, Laos, Myanmar/Burma, Nepal, North Korea, Pakistan, as well as India, face challenges in terms of prosperity of their population and the disparities existing between regions and the rural and urban areas. EU cooperation through the DCI focuses on capacity building, social infrastructures, energy efficiency, land management, climate change, food security, environmental protection and trade integration, all of which have spill–over effects on poverty alleviation strategies at regional and country level.

The Pacific region faces the highest levels of vulnerability, with very low coping capacity and resilience to shocks. Climate change in particular is one of the greatest threats to the region and challenges its ability to achieve the MDGs. The 2012 EU communication 'Towards a renewed developed partnership with the Pacific region'<sup>21</sup> stressed the need for synergy between development and climate change assistance, improved management of funding for mitigation and adaptation to climate change as well as the promotion of low carbon development. Consequently, the EU has increased additional climate change funds for the Pacific in 2012.

---

<sup>20</sup> Hereinafter Moldova

<sup>21</sup> JOIN/2012/06 final

Central Asian transition countries saw growth pick up in 2010 after the crisis caused weaker markets for commodity exports and lost remittances from citizens working abroad. But overall in the region growth rates fell, poverty levels rose and the urban/rural divide widened. To help meet these challenges, EU support focuses on raising living standards, developing the social sector and providing a social safety net. It also seeks to improve the rule of law and public governance.

Progress in economic and social reform during the 1990s and early 2000s contributed to prolonged economic growth for Latin America and Caribbean and poverty levels fell significantly. For example, more than 60 million people were lifted out of moderate poverty between 2002 and 2012. However, 167 million people, about 30% of the Latin American and the Caribbean population, still lives in poverty and income inequality remains among the most acute in the world. Haiti is the poorest country in the region and its reconstruction and poverty challenges are being supported through a revised country strategy which includes joint programming with EU Member States. For Latin America and the Caribbean, EU programmes financed out of the DCI and EDF support the fight against poverty by promoting social cohesion, equality, promoting sustainable growth and backing regional integration. The EU policy dialogue with the region has also been broadened to include *inter alia* economic competitiveness, trade, migration, environment, energy, climate change, governance, research and technology and sustainable development.

### **1.3.3. Strengthening human rights and good governance**

In 2012, the EU continued to use its range of external instruments to promote and protect human rights and good governance, as well as to combat gender inequality in line with both the 2011 joint communication "Human rights and democracy at the heart of EU external action – towards a more effective approach"<sup>22</sup>, and the "Agenda for Change". Furthermore, the proposals presented in December on the EU financial instruments (MFF package) show to what extent human rights and democracy are no longer dealt with as a cross-cutting issue, very often tackled only by the thematic instruments. They have become issues in their own right which, through a sector-wide approach, avoid being considered as mere 'add-ons' but become a foundation for more coherent and effective programming. In addition, support to civil society worldwide has been strengthened through the application of the European Instrument of Democracy and Human Rights and the establishment of a new Neighbourhood Civil Society Facility as an integral part of the EU response to the Arab Spring.

Over 130 strategies taking into account the views of civil society were finalised worldwide in 2011. During 2012, the EU continued this process, developing human rights strategies for almost 160 countries. The EU remained active in multilateral fora at the UN, the Council of Europe (CoE) and the Organisation for Security and Cooperation in Europe (OSCE) in order to set the standards of human rights and to promote their universal application.

In 2012, the EU continued to vigorously support electoral processes around the world by sending EOMs and Electoral Expert Missions (EEMs) as well as providing electoral assistance and support to domestic observers. EOMs were sent to Senegal, Algeria, Timor-Leste and Sierra Leone. EOMs in West Africa facilitated successful presidential elections in Senegal and Sierra Leone, in difficult conditions which the missions helped resolve. An Election Assessment Team (EAT) was sent to Libya while EEMs were also deployed in Egypt, Yemen, El Salvador, Guinea Bissau, Senegal, Mexico, Angola and Ghana. In

---

<sup>22</sup> COM(2011) 886 final, 12.12.2011

December 2012, the EU deployed a first Electoral Follow-Up Mission to Malawi with the task of studying the progress made in electoral reforms and contributing to the preparations of the 2014 elections.

At the beginning of 2012, the EU received implementation reports from nine Delegations on their work as pilots on democracy support in line with the Council conclusions of November 2009 (Benin, Ghana, Bolivia, Lebanon, Mongolia, Kyrgyzstan, Indonesia, Maldives, and the Solomon Islands). Work in support of democracy was incorporated into the Strategic Framework and Action Plan adopted in June and a consolidated Joint Report on implementation was adopted in October and presented to the Member States. The continuation of this work is intended to end the first generation of pilots and the lessons learned will feed into the launch of a second. In September a joint seminar between the EEAS and Commission services celebrating the International Day of Democracy took place. The EEAS also participated in a the CoE panel at the World Forum for Democracy in October

#### **1.3.4. Mainstreaming of cross-cutting issues**

##### **Gender**

The mainstreaming of gender equality and women's rights is a legal obligation in the EU. It is a challenging task which requires a systematic approach to ensure that staff at all levels have the competences and know-how necessary to ensure that the gender dimension is integrated into sector programmes ranging from health and education to private sector development, food security and infrastructure. To achieve this, various tools and training modules have been developed and gender advisory services have been made available for staff in Delegations and at headquarters. The EU Plan of Action on Gender Equality and Women's Empowerment in Development 2010-15 has mainstreaming of gender as a principal objective. The second report on the implementation of the plan in 2012 shows that further progress has been made in more partner countries and that an increasing number of sectors are covered. Thus, the EU is now using gender-sensitive indicators in its support of sectors such as water and sanitation, health, education, food security and rural development in 31 partner countries. The issue of gender equality is being raised more frequently in political dialogue with partner countries and in sector programme policy dialogues. Furthermore, preparation is under way in EU Delegations to further strengthen gender equality in the EU's cooperation in the next programming period 2014-20.

Increased use of gender statistics and progress in reducing inequalities is being reported. This creates conditions for better accountability in order to demonstrate that women are equally benefiting from EU-funded development activities. An example of this is the EU's support to "engender" private sector development in Senegal where the use of these indicators has resulted in more than half of the supported businesses being run by women.

##### **Environment and climate change**

Since Rio+20, the thinking on the green economy has developed rapidly. The Commission aims at linking the mainstreaming of environment and climate change in development cooperation with this wider concept of the green economy. A draft document exploring this approach is expected in 2013.

The Commission remains committed to working with Member States to develop an EU-wide strategy to integrate environment and climate change in development cooperation. The need

for further progress in integrating the three strands of sustainable development was underlined in the outcome document of the Rio+20 Conference, "The Future We Want".

Regional seminars for EU Delegations were organised to train staff on greening development. In 2012, a one-day course was introduced in recognition of the rising importance of the green economy. Additional workshops targeting the Overseas Countries and Territories, the Caribbean and Asia were delivered in the context of the Global Climate Change Alliance (GCCA). With these, the Commission has trained over 200 senior officials. The courses targeted Ministries of Finance, Planning and Environment in an effort to catalyse the mainstreaming of climate issues in the budgeting process. There is now a strong demand to repeat the workshops at regional and national levels.

## **Culture**

Culture continued to be supported as a cross-cutting dimension of social inclusion, freedom of expression and promotion of diversity. Specifically, in 2012, calls for proposals were launched at regional level (Neighbourhood East, ACP countries) and projects were launched at country level (such as Mauritania, Tanzania, Ethiopia and Algeria).

### **1.3.5. Cooperation with non-state actors and local authorities**

#### **The roots of democracy and sustainable development: a new policy for the EU's engagement with civil society**

In September 2012, the communication "The Roots of Democracy and Sustainable Development: Europe's Engagement with Civil Society in External Relations"<sup>23</sup> was adopted. The communication, which was endorsed by the Council in October<sup>24</sup>, proposes an enhanced and more strategic approach to the EU's engagement with local civil society organisations (CSOs) in developing, Neighbourhood and enlargement countries. The EU recognises the importance of a dynamic, pluralistic and empowered civil society and of constructive relations between states and CSOs.

The new policy responds to contrasting developments, ranging from the international recognition of CSOs as key development actors to severely shrinking space for CSOs to operate in many countries. It also builds on the results of the Structured Dialogue on the Involvement of Civil Society and Local Authorities (LAs) in EU Development Cooperation (2010-11) as well as the results of an online stakeholder consultation on the subject.

The focus of the new policy is on civil society's contribution to building stronger democratic processes and systems of accountability and to achieving better development outcomes. It puts forward three priorities:

- enhancing efforts to promote a conducive environment for CSOs in partner countries.
- promoting meaningful and structured participation of CSOs in the domestic policies of partner countries, the EU programming cycle and in international processes.

---

<sup>23</sup> European Commission (2012) « The Roots of Democracy and Sustainable Development: Europe's Engagement with Civil Society in External Relations », COM (2012) 492 final. URL: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0492:FIN:EN:PDF>

<sup>24</sup> Council Conclusions (2012), URL: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/132870.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/132870.pdf)



- increasing the capacity of local CSOs to perform their roles as independent development actors more effectively.

### **Dialogue process**

The Policy Forum on Development, put forward by the Commission in 2012, will continue the dialogue with CSOs and LAs. The forum will organise two meetings per year in Brussels where participants will share best practice and engage with the Commission on EU development policies and programmes. An interim phase of the Policy Forum was launched in 2012, providing time for consultation and discussion with the stakeholders of the Structured Dialogue on the future set-up. Two interim meetings took place in Brussels in May and October, bringing together approximately 50 CSOs and LAs from Africa, Asia, Latin America, the European Neighbourhood and Europe, as well as a number of EU Institutions and the Member States. Consultations and debates focused, among other issues, on the post-Busan Agenda for Aid Effectiveness, the communication "Civil Society Organisations and Local Authorities in Development", the post-2015 development agenda and the new CSO-LA Strategy (2014-20).

### **Local authorities**

The Commission has continued to cooperate closely with LAs, particularly in order to redefine and reinforce its policy within the new global framework for EU development cooperation that was launched in 2011 with the Agenda for Change. The Issue Paper "Local Authorities on Development" was prepared by the Commission services in the first half of 2012 and was widely distributed later in 2012 in order to consult with relevant stakeholders at four levels:

- the country level, through the EU Delegations
- the regional level, through seminars held in collaboration with the European Platform of Local and Regional Authorities for Development (Platforma)
- the European level, through info points with the European Parliament, the Committee of the Regions and experts from the EU and Member States and the Policy Forum on Development (CSOs and LAs)
- the international level, through spontaneous or requested contributions from UN bodies and other development partners, including United Cities and Local Governments (the global association of LAs).

The results of the consultation will inform the new Commission communication "Local Authorities in Development", to be adopted in the first half of 2013.

As a follow-up to the Structured Dialogue (SD), the Commission organised a seminar on dialogue with LAs from the Neighbourhood South Region in Tunis in November 2012. The EU Delegation in Lebanon organised a SD seminar at the national level in March 2012.

In cooperation with the Committee of the Regions the Commission started preparing the third "Assizes of Decentralised Cooperation" in 2012. These are scheduled to take place in Brussels in April 2013. Launched in 2009, the Assizes allow LA representatives from the EU and partner countries to conduct political dialogue on development cooperation with European Institutions as well as to exchange experiences on decentralised cooperation.

The Commission has thus continued strengthening its strategic relationship with LAs at the political level while continuing to co-finance projects proposed by them.

### 1.3.6. Financing for development

In 2012, the Commission presented its 10th annual Accountability Report on Financing for Development<sup>25</sup>, which covered all aspects of development finance as framed by the Monterrey Consensus and the Doha Declaration.<sup>26</sup> 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 still has some way to go to reach its 0.7% ODA/GNI collective target by 2015. EU collective ODA amounted to a total of EUR 55.2 billion in 2012, corresponding to 0.43 % of combined GNI.<sup>27</sup> The total ODA of the EU Member States alone that year stood at EUR 50.6 billion, or 0.39% of combined GNI, showing a decrease for the second consecutive year. However, the EU collectively remains the world's largest donor. Furthermore, in 2012, the EU delivered on its commitments on fast-track climate finance.

In light of international developments in 2012 (Rio+20<sup>28</sup>, the pledge of developed countries to double resources for biodiversity by 2015<sup>29</sup>, climate finance negotiations<sup>30</sup>, the post-2015/MDG discussions), the Council has invited the Commission to address issues of financing and other means of implementing global policy objectives through a comprehensive and integrated approach.<sup>31</sup> An upcoming Commission communication as well as the accompanying 2013 Accountability Report will elaborate on initial elements for a common and all-embracing EU approach to financing development and other global policy objectives beyond 2015.

#### **Table 1: ODA table with preliminary 2012 data and estimates 2013-2015<sup>32</sup>**

---

<sup>25</sup>[http://ec.europa.eu/europeaid/what/development-policies/financing\\_for\\_development/accountability\\_report\\_2012\\_en.htm](http://ec.europa.eu/europeaid/what/development-policies/financing_for_development/accountability_report_2012_en.htm) /

<sup>26</sup>[http://www.un.org/esa/ffd/doha/documents/Doha\\_Declaration\\_FFD.pdf](http://www.un.org/esa/ffd/doha/documents/Doha_Declaration_FFD.pdf)  
<sup>27</sup><http://www.un.org/esa/ffd/monterrey/MonterreyConsensus.pdf>

<sup>27</sup> Final ODA outcome figures 2011, published by the OECD DAC in January 2013. Final 2012 ODA numbers will only become available in early 2014.

<sup>28</sup><http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/476/10/PDF/N1147610.pdf?OpenElement>

<sup>29</sup><http://www.cbd.int/doc/press/2012/pr-2012-10-20-cop-11-en.pdf>

<sup>30</sup>[http://unfccc.int/meetings/doha\\_nov\\_2012/session/7049/php/view/decisions.php](http://unfccc.int/meetings/doha_nov_2012/session/7049/php/view/decisions.php)

<sup>31</sup>[http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/EN/foraff/132865.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/132865.pdf)

<sup>32</sup> Unshaded cells 2013-2015 are Member States' own forecasts. Grey shaded cells are Commission projections. Collective EU ODA is the sum of the ODA reported by the EU Member States and the additional ODA provided by the EU institutions. Most of the EU institutions' ODA spending is, for the purposes of ODA/GNI reporting, imputed to EU Member States, i.e. Member States data include part of the institutions' spending. The ODA provided through European Investment Bank (EIB) own resources (EUR 4.5 billion in 2012) is not imputed to Member States and is additional to the Member States' ODA. The Danish government is committed to reaching the target of 1% ODA/ GNI but has not set a fixed timetable for reaching it.

Member State	2011		2012		2013		2014		2015		2015 commitment		2015 Revised gap	
	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI
Austria	779	0.77	865	0.78	1,387	0.73	1,899	0.72	1,847	0.70	2,361	0.70	1,614	0.70
Belgium	2,029	0.52	1,792	0.47	1,988	0.51	2,076	0.51	2,930	0.49	2,930	0.49	-	-
Belgium	79	0.09	70	0.08	48	0.11	50	0.12	56	0.13	146	0.33	90	0.20
Cyprus	70	0.18	70	0.17	78	0.17	79	0.17	79	0.17	79	0.17	79	0.17
Czech Republic	180	0.12	171	0.12	178	0.13	269	0.13	268	0.12	301	0.13	313	0.12
Denmark	3,108	0.89	2,115	0.84	2,291	0.85	2,204	0.84	2,258	0.84	2,685	1.00	427	0.15
Estonia	18	0.11	18	0.11	20	0.11	21	0.12	21	0.11	61	0.11	18	0.10
Finland	1,011	0.53	1,027	0.53	1,128	0.56	1,223	0.56	1,090	0.52	1,485	0.70	395	0.19
France	9,148	0.56	9,479	0.46	9,876	0.47	10,511	0.49	10,946	0.49	15,387	0.70	4,671	0.17
Germany	20,126	0.39	16,198	0.30	10,461	0.38	10,731	0.38	11,008	0.38	20,408	0.70	9,409	0.32
Greece	208	0.19	252	0.13	234	0.13	217	0.12	202	0.11	1,708	0.70	1,506	0.99
Hungary	100	0.11	91	0.09	96	0.10	100	0.10	104	0.10	141	0.13	211	0.16
Ireland	697	0.51	629	0.48	623	0.48	623	0.46	623	0.42	982	0.70	359	0.26
Italy	1,111	0.70	2,059	0.13	2,381	0.16	2,435	0.19	2,938	0.18	11,131	0.70	8,144	0.53
Latvia	14	0.07	16	0.08	16	0.07	17	0.07	19	0.07	34	0.11	16	0.16
Lithuania	78	0.13	40	0.13	41	0.13	43	0.12	44	0.12	119	0.13	45	0.12
Luxembourg	294	0.37	316	1.00	373	0.98	373	0.95	337	0.96	352	1.00	15	0.04
Malta	14	0.25	14	0.23	15	0.22	19	0.28	23	0.33	23	0.33	-	-
The Netherlands	4,161	0.79	4,298	0.71	4,156	0.68	3,735	0.79	3,911	0.69	4,381	0.70	680	0.10
Poland	200	0.08	241	0.09	287	0.10	407	0.10	428	0.10	1,347	0.13	919	0.15
Portugal	309	0.31	441	0.27	464	0.30	488	0.31	513	0.31	1,151	0.70	640	0.39
Romania	118	0.09	111	0.08	126	0.09	134	0.09	142	0.09	141	0.11	171	0.12
Slovak Republic	62	0.09	61	0.09	63	0.09	66	0.09	69	0.09	209	0.13	156	0.12
Slovenia	45	0.13	45	0.11	48	0.11	46	0.11	47	0.11	122	0.13	75	0.10
Spain	3,001	0.29	1,516	0.15	1,995	0.19	1,630	0.15	1,360	0.12	7,630	0.70	6,270	0.58
Sweden	4,030	1.02	4,018	0.99	4,421	1.01	4,999	1.00	4,748	1.00	4,748	1.00	-	-
UK	9,948	0.96	10,627	0.16	17,087	0.70	13,017	0.70	14,117	0.70	14,117	0.70	-	-
EU15 Total	51,940	0.44	49,647	0.42	34,728	0.46	36,575	0.46	36,329	0.46	91,847	0.70	55,518	0.36
EU12 Total	981	0.18	981	0.10	1,060	0.10	1,122	0.10	1,174	0.10	3,376	0.30	2,402	0.21
EU27 Total	52,921	0.42	50,628	0.39	35,788	0.43	37,707	0.42	37,503	0.43	95,223	0.69	57,920	0.28
EU Institutions ODA	22,507		11,609											
Approved by Member States	3,094		3,125											
Not approved by Member States	3,493	0.03	1,344	0.04										
Collective EU ODA <sup>41</sup>	18,244	0.46	16,152	0.41										

Gap to collective 2015 target 0.7%

Target in EUR billions 97,425

Gap in EUR % of GNI -0,27

(1) Including EU Institutions ODA not supported by Member States

Table 2: 2012 ODA levels and 2015 individual targets of the 27 EU Member States

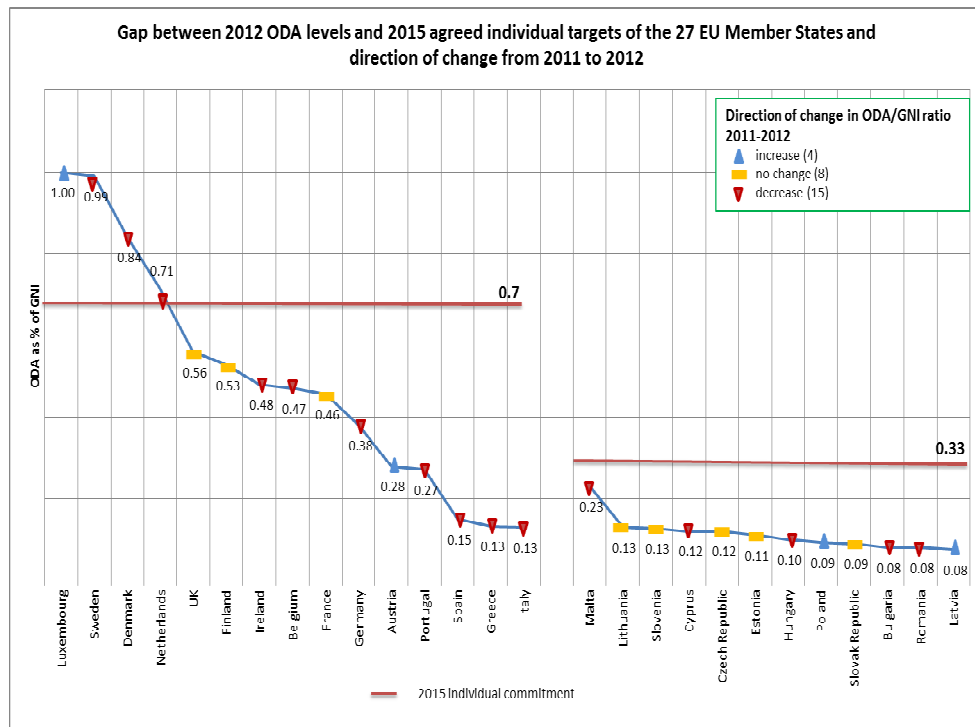
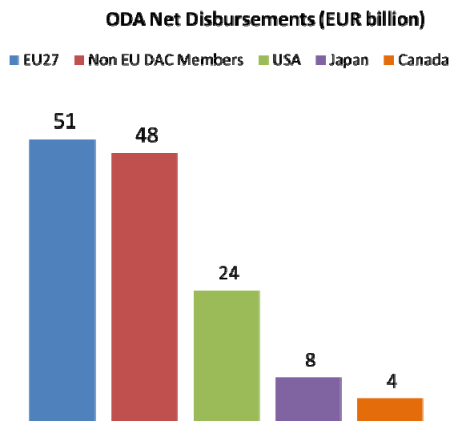
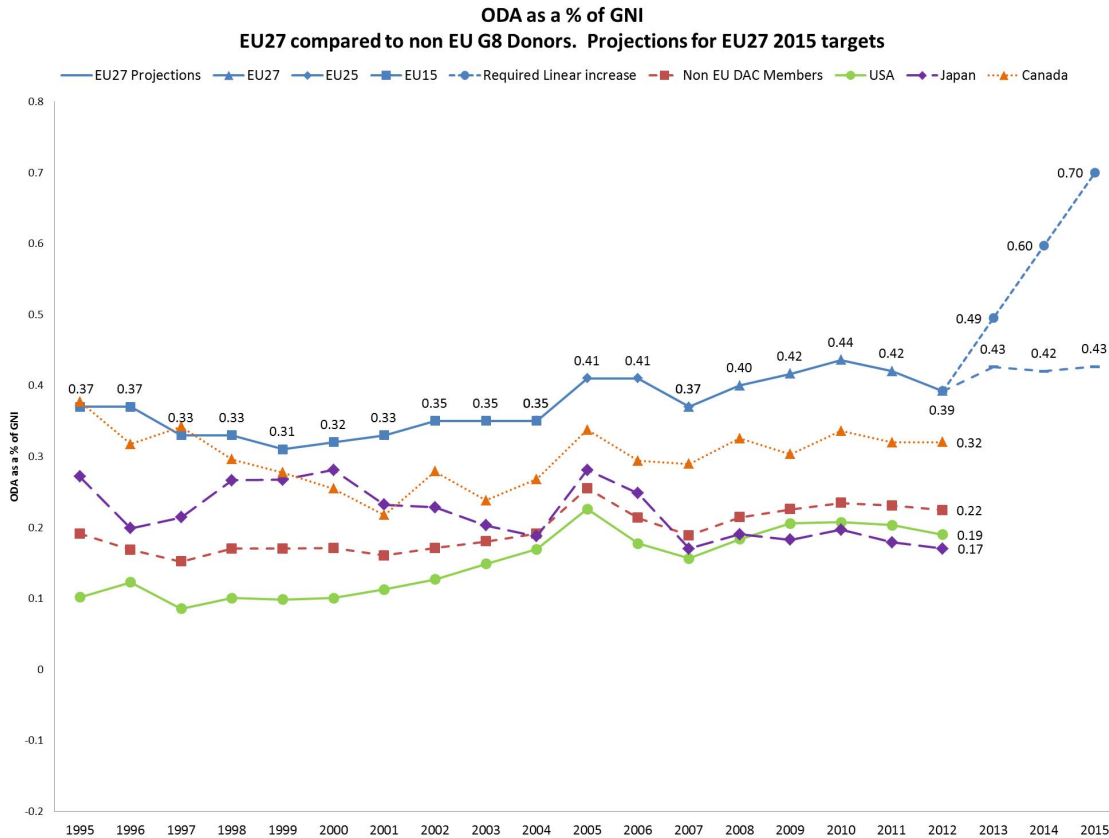


Table 3: Global comparison (disbursements 2012)



### 1.3.7. The role of the private sector

The importance of private sector development for growth is widely recognised. In the first place, the private sector creates jobs and income, which are the best insurance against extreme poverty. In the second, the sector also provides goods and services to the poor, such as food, telecommunications and financial services. Some businesses provide very specific products and services such as microfinance, micro-insurance or generic medicines. A dynamic private sector can therefore be a source of innovation to meet the specific needs of the poor. Furthermore, the private sector generates tax revenue which enables public authorities in partner countries to provide basic infrastructure, create a business enabling environment and to provide social safety nets to the poorest. Lastly, a stronger and more diversified private sector can help to strengthen civil society by empowering marginalised groups, generating

income and offering wider access to education and health services. Overall, private sector development is one of the most effective ways to achieve the objectives of sustainable growth and poverty reduction.

Since 2003<sup>33</sup> EU support for private sector development has mainly focused on creating an enabling environment for small, medium and large companies through a wide range of interventions. These include support to improve the business environment, strengthen specific policies (such as trade, innovation, competitiveness and access to finance - including microfinance) and to build capacities of business intermediary organisations such as chambers of commerce and business development service providers.

Total EU assistance in the area of Private Sector Development reached EUR 2.4 billion in the period 2004-10. This roughly amounts to EUR 350 million per year, or 3 % of EU assistance in 2010. Out of the total of EUR 2.4 billion, EUR 0.4 billion has been channelled as sector budget support.

The importance of improving the business environment, promoting a competitive local private sector and improving access to business and financial services was reaffirmed in the “Agenda for Change” in 2011<sup>34</sup>. In addition, it acknowledges that a more active engagement with the private sector is not limited to tapping the potential of businesses to stimulate and sustain growth, and improve people's lives, but also to leverage additional private funding for development assistance. It therefore emphasises the importance of developing new ways of engaging with the private sector, notably to leverage its activity and resources to deliver public goods and to extend the scope and scale of the EU regional blending facilities to further leverage financial resources for development.

The Commission has extended the EU regional blending facilities worldwide by establishing the Pacific and Caribbean investment facilities in early 2012<sup>35</sup>, launching a comprehensive study on engaging the private sector in development and extending the blending activities of the EU in December 2012. The study will identify, describe and compare existing Commission and Member States' blending initiatives and explore further blending opportunities. It also targets those EU initiatives aiming at private sector development, private-public dialogue and the promotion of development partnerships with the private sector and public-private partnerships for the delivery of public goods. The study will also present options and recommendations on the setting up and implementation of private sector windows within these facilities. Results of the study are expected in 2013.

## **1.4. Better and more effective aid**

### **1.4.1. Aid effectiveness and joint programming**

The Busan 4<sup>th</sup> High Level Forum on Aid Effectiveness in 2011 mandated the Working Party on Aid Effectiveness to finalise the working arrangements of the Global Partnership for

---

<sup>33</sup> Communication on "European Community Cooperation with Third Countries: The Commission's Approach to Future Support for the Development of the Business sector", COM (2003) 267.

<sup>34</sup> Communication on "Increasing the Impact of EU Development Policy: An Agenda for Change", COM (2011) 637.

<sup>35</sup> The other existing regional blending facilities are the EU-Africa Infrastructure Trust Fund (ITF), the Neighbourhood Investment Facility (NIF), the Latin America Investment Facility (LAIF), the Investment Facility for Central Asia (IFCA), the Asia Investment Facility (AIF) and the Western Balkans Investment Framework.

Effective Development Cooperation. The Commission represented the EU in the Post-Busan Interim Group which was formed in early 2012 to prepare the final proposals. The last meeting of the Working Party on Aid Effectiveness in Paris endorsed the monitoring framework and the mandate of the Global Partnership. This included the formation of a steering committee composed of three co-chairs and 15 steering committee members of which the Commission, as representative of the EU, is a member. The first meeting took place in December 2012.

The following priority work areas for the partnership were defined by the Steering Committee:

- changes on the ground since Busan
- domestic resource mobilisation
- private sector
- knowledge sharing
- inclusiveness.

The overriding idea is for the Global Partnership to contribute to the post-2015 development framework paying particular attention to the above areas. Specific deliverables on these areas are to be defined.

Commitments to implement joint programming and the EU Transparency Guarantee were two key EU deliverables at Busan (see chapter 4.2). As a follow-up to Busan, the EU also reviewed its plans to further untie its aid.

In January 2012, the EU and Member States jointly asked their embassies and Delegations in 11 candidate partner countries to assess the feasibility of joint programming. Joint programming was taken forward in six of the 11 countries canvassed, namely Ethiopia, Ghana, Guatemala, Laos, Mali and Rwanda. Joint programming in Haiti and South Sudan had already started as part of an earlier process.

In Guatemala and Laos draft joint programming documents were received in December 2012, responding to national development plans; discussions with Member States on the ground are expected to continue into 2013 to "fine tune" these documents. In Ghana the joint programming process is built on the Busan-inspired Compact that had already been agreed by the government and most donors. It includes an analysis of the strategic direction of the development of the country and ways to implement the aid relationship. The EU and Member States will translate this into an operational division of labour. In addition, the EU and Member States will prepare a Joint Framework Document, encompassing the wider EU-Ghana relationship.

Joint programming in Ethiopia will build on the existing EU (plus Norway) Joint Cooperation Strategy of 2011 while in Rwanda an advanced joint programming document - fully synchronised with the new national development cycle of the government - is expected by May 2013. It builds on the existing and relatively well advanced division of labour process led by the Rwandan government itself. In Mali joint programming has been put on hold due to the current political instability but will be reviewed in 2013. In Haiti elements of joint programming have been implemented. In South Sudan joint programming agreed in 2011 is currently being implemented and a revised joint programming document is foreseen for 2014.

Lessons have been learnt from the countries in the first wave of joint programming. It is clear that joint programming processes are most effective when driven at the partner country level and where they have led to local solutions adapted to specific circumstances. Ownership and, where possible, leadership (as in the case of Rwanda) by partner countries is important. In Rwanda and Ethiopia, non-EU actors are taking part. While in most cases only EU donors have been involved so far, although it is important to remain open to other committed non-EU actors. Above all, experience confirms that synchronisation with partner countries' planning cycles is crucial.

Following discussion with Member States, and information received from EU Delegations, a list of additional partner countries with the potential for joint programming was drawn up. In December 2012, EU Heads of Mission in these countries were asked to assess and report on their feasibility.

#### **1.4.2. Cooperation with the donor community**

##### **OECD**

Close cooperation with the Organisation for Economic Cooperation and Development (OECD) on development issues continued in 2012 at all levels. Throughout the year, the Commission actively participated in the work of the OECD Development Assistance Committee (DAC), as the EU is a full member.

The Commission contributed to discussions at senior and ministerial level covering the future global development agenda, including the post-2015 development goals, the Global Partnership for Effective Development Cooperation and external financing for development. Additionally, it helped to define an OECD Strategy on Development (adopted in May 2012) and to promote more active involvement of emerging donors in the OECD's work. Commissioner Piebalgs participated in the OECD Global Forum on Development and co-chaired a high-level event organised by the OECD as part of the 50th Anniversary of its Development Centre.

In 2012, the DAC examined the EU's development cooperation as part of the Peer Review exercise. The final report, published in April, recognised the EU's role as a major global player in development because of its size, geographical coverage and the partnership dimension of its aid programmes. The report gave credit to many of the EU's strengths and acknowledged that progress had been made in making EU aid more effective since the last peer review in 2007.

##### **Bilateral relations with traditional donors and emerging economies**

As part of the broader EU-US strategic dialogue, the Commission initiated regular consultations with its US counterparts under the EU-US development dialogue established in 2009 to reinforce cooperation on the ground and at policy level. In 2012 this process helped raise global political awareness as regards food security and resilience and led to better coordination of aid effectiveness in the post-Busan context. Issues related to "security and development" have become part of the dialogue agenda and are now regularly discussed by both sides. Dialogue on development related issues continued throughout 2012 with two other countries, Japan and South Korea.

Emerging economies play an increasing role in development and the Commission is therefore looking to engage with these new players on global issues and on sharing lessons learned. For example, in 2012 the EU and Brazil continued to give importance to the role of triangular cooperation as one of the areas of the strategic partnership.

### **1.4.3. Cooperation with international organisations**

#### **United Nations**

During the course of 2012 the Commission was involved in different UN-related activities with an impact on development. It participated in the main UN conferences, contributed to the debates in the UN General Assembly and the UN Economic and Social Committee (ECOSOC), and took part in the Development Cooperation Forum (DCF). It was also involved in major initiatives taken by the UN Secretary-General in the field of development, such as the SE4ALL initiative, the High Level Panel on the post-2015 Development Agenda, the Scaling Up Nutrition Movement and the Education for All Initiative.

A key event in this respect was the UN Conference on Sustainable Development (Rio+20) which will have a significant impact on the future of our development work. The Rio+20 Declaration "The Future We Want" includes commitments in a number of thematic and cross-cutting issues e.g. on the development of an inclusive green economy, processes for the establishment of Sustainable Development Goals and of a High Level Political Forum as well as on the financing of sustainable development. In 2012 the Commission started working on the follow-up to Rio+20. Ensuring coherence and coordination between the Rio+20 follow-up and the post-2015 development framework is of great importance and should lead to these two processes merging.

An equally important event was the XIII United Nations Conference for Trade and Development (UNCTAD XIII). The Doha Mandate (the outcome conference document) reaffirmed UNCTAD as the UN focal point for the integrated treatment of trade and development, as well as interrelated issues. In light of changes in the economic landscape, the EU emphasised the need to have suitable policies. While many developing countries have been integrating into the world economy, others such as the LDCs continue to lag behind and need to be addressed.

The meetings of the UN General Assembly and the UN ECOSOC triggered important debates on development issues and a series of Resolutions and Ministerial Declarations were adopted shaping the future work of the UN on development matters. Among other issues, the DCF discussed the future of development cooperation in the context of a changed global environment, new financing tools for development cooperation and the links with sustainable development in a post-Rio+20 context.

Working in partnership with the UN system and ensuring a fruitful cooperation with its agencies, funds and programmes (UN AFPS) remained an important objective for the Commission in 2012. In 2012 the Commission signed three Memoranda of Understanding (MoU) with UNWOMEN, UNESCO (both of which were co-signed with the EEAS) and the International Fund for Agricultural Development (IFAD) in order to give more substance to its Strategic Partnership Agreements with UN entities. These MoUs are the legal basis of the Strategic Partnership Agreements and represent the formal commitment of the co-signatory institutions to continue their cooperation in areas of common interest.



Cooperation with the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organisation (UNIDO) was discussed at the highest level. The EU-UNDP strategic partnership was reviewed and both sides reaffirmed their interest in further developing cooperation in areas of common interest and working together towards building solid foundations for peace and development and promoting the MDGs and sustainable development. Cooperation with UNIDO continues to produce tangible results by stimulating economic diversification and competitiveness and both parties have agreed to foster this cooperation.

## **G20 and G8**

The 2012 Mexican presidency of the G20 concentrated on food security and infrastructure and on delivering on the 2010 Seoul Multi-Year Action Plan on Development commitments. The Commission was particularly active in the context of the trade pillar of the action plan and supported Mexico's proposals to add inclusive green growth to the G20 development agenda. The green growth agenda is designed to help structurally transform economies into being climate-friendly over the medium term, and especially to help build the capacity of developing countries to design and implement their own green growth policies and strategies. The Commission pressed hard for action on the critical issue of fossil fuel subsidy reform. It continued to express strong support for the representation of groups such as the AU, both at summits and at other preparatory meetings wherever practical.

The Commission continued to be active in the development related work of the G8 during 2012, where the main focus was on agriculture and food security with the launch of a 'New Alliance to improve food security and nutrition'. The EU played an active role with other G8 leaders to found a partnership between partner governments in Africa, G8 countries and the private sector to lift 50 million people out of poverty in the next ten years by supporting agricultural development. As is now the custom in the G8, much effort was put into the Commission's contribution to the G8 Accountability Report. The 2012 report concentrated on food security, markets and trade and health. Moving towards 2015, the G8 is concentrating its development efforts on delivering on pledges to support achievement of the MDGs. The G8's focus is on key areas such as maternal and child health, where in 2010 Presidents Barroso and Van Rompuy made an additional EU pledge of EUR 50 million for the G8 Maternal and Child Health Initiative. Collectively, G8 members use the accountability process and reports to monitor these commitments. The G8 also continued to deliver on the Deauville partnership<sup>36</sup> in support of the Arab Spring countries.

## **International Financing Institutions**

The Commission's initiative in 2011 to create a Taskforce for an enhanced dialogue with international financing institutions (TF) was followed up successfully in 2012 through intensified Commission engagement with the International Monetary Fund, World Bank Group, African Development Bank, Asian Development Bank and Inter-American Development Bank (IMF, WBG, AfDB, AsDB and IDB).

Based on a set of converging development policy priorities, the Commission initiated high-level development policy exchanges and promoted stronger partnerships. With IMF this covered public finance management (PFM), vulnerability and shock absorption mechanisms, fragility and capacity building. Work with WBG and AfDB on Africa included, for example, budget support in fragile contexts, sustainable energy for all and food and nutrition security. Exchanges with IDB were on budget support, citizen security and regional initiatives/blending in Latin America and Caribbean. The Commission also engaged in various contacts between EuropeAid and the AsDB, on climate change in cities, on regional economic outlook, and on regional integration.

Commissioner Piebalgs addressed the 85<sup>th</sup> and 86<sup>th</sup> WB/IMF Development Committee at its Spring meeting in April (Washington) and the Annual meeting in October (Tokyo).

#### **1.4.4. Coherence between development and other policies**

The EU is a major global actor. Its policies can therefore have a strong impact, both positive and negative, on developing countries. The Lisbon Treaty requires the EU to take into account the objectives of development cooperation in all its policies. Not only does this mean making efforts to avoid negative impacts by identifying the most damaging incoherencies and correcting them where possible, but also looking for synergies between the objectives of EU policies generally and EU development objectives. This principle is referred to as Policy Coherence for Development (PCD)<sup>37</sup>. The ambition is to improve EU policy so that it provides benefits for both the EU and developing countries.

The work programme on policy coherence for development for the period 2010–13 issued by the Commission<sup>38</sup> serves as the guiding document for promoting PCD across EU policies. It covers five broad challenges:

- trade and finance
- food security
- climate change
- migration
- security

For each of these issues, the Commission promotes discussion between non-development policy experts and development experts.

In order to inform policy making, the Commission also conducts and actively supports progress on measuring development impacts of EU policies, most often on a case-by-case basis. For example, in 2012, a study was launched to assess the impacts of biofuel production in developing countries from the point of view of PCD. It will be concluded in February 2013.

In 2012, the Commission focused on the follow-up to the 2011 publication of the third biennial "whole-of-the-EU" PCD report<sup>39</sup>. This mainly covered the dissemination of the

---

<sup>37</sup> Article 208 of the TFEU

<sup>38</sup> Policy Coherence for Development Work Programme 2010-2013, SEC(2010) 421 final  
[http://ec.europa.eu/development/icenter/repository/SEC\\_2010\\_0421\\_COM\\_2010\\_0159\\_EN.PDF](http://ec.europa.eu/development/icenter/repository/SEC_2010_0421_COM_2010_0159_EN.PDF)

<sup>39</sup> EU 2011 Report on Policy Coherence for Development, SEC(2011) 1627 final  
[http://ec.europa.eu/europeaid/what/development-policies/documents/eu\\_2011\\_report\\_on\\_pcd\\_en.doc.pdf](http://ec.europa.eu/europeaid/what/development-policies/documents/eu_2011_report_on_pcd_en.doc.pdf)

report and the Commission's participation in discussions with the Council and the European Parliament which led to the adoption of Council Conclusions on Policy Coherence for Development<sup>40</sup> on 14<sup>th</sup> May 2012 and, on 25<sup>th</sup> October 2012, to the adoption by the European Parliament of a resolution on the EU report on policy coherence for development (2011)<sup>41</sup>. This follow-up process has been important to ensure coherence and shared ownership of as well as commitment to the PCD among all EU institutions and EU Member States.

The follow-up also included further public information and communication efforts, with the Commission participating in various PCD-related conferences and seminars in 2012, particularly on food security, agriculture and trade. To raise further awareness and promote good practice, the Commission has developed a training course on PCD and plans to conduct more sessions with both Commission and EEAS staff in 2013.

2012 has also been the year in which more systematic cooperation with the EEAS on PCD issues was established.

Cooperation between researchers in Europe and developing countries continued to be supported through the Seventh Framework Programme (FP7). Since 2007 it has provided EUR 440 million to researchers in developing countries to enable them to collaborate in projects with their European counterparts. The Commission also adopted the communication "Enhancing and Focusing EU International Cooperation in Research and Innovation: A Strategic Approach"<sup>42</sup>. One priority will be on research and innovation targeting global challenges in health, food security, renewable energy and climate change which greatly affect developing countries.

Information and communication technologies (ICTs) can contribute significantly to poverty reduction and the achievement of the MDGs. EU support for ICTs includes the project 'ACP-Information And Communication Technologies (@CP-ICT) Programme', aiming to support ACP governments and institutions in designing, implementing, monitoring and evaluating their ICT national, regional and continental policies towards sustainable development. It also includes AfricaConnect, a project aiming at developing a regional high-speed Internet network in Southern and Eastern Africa, connecting National Research and Education Networks (NRENs) to each other and to GÉANT (European high-speed backbone network for research and education), in order to provide the region with a gateway to global research collaboration. GÉANT is interconnected by EU funding with southern Mediterranean partner countries (through EUMEDCONNECT3), Latin America (through ALICE2 with RedCLARA-the Latin American Research and Education Network), Asia (through TEIN4 and CAREN) and the Caribbean (through C@ribnet)<sup>43</sup>.

## 1.5. Outlook 2013

---

<sup>40</sup> Council Conclusions from 14.5.2012

[http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/130225.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/130225.pdf)

<sup>41</sup> European Parliament resolution on the EU 2011 Report on Policy Coherence for Development (2012/2063(INI)) <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2012-0399&language=EN&ring=A7-2012-0302>

<sup>42</sup> <http://ec.europa.eu/research/iscp/index.cfm?pg=strategy>

<sup>43</sup> <http://www.geant.net>

In 2013, the Commission will advance with the implementation of the Agenda for Change which will continue to inform the programming process for the 2014-20 Multiannual Financial Framework (MFF). While the differentiation will only take effect upon the entry into force of the new financing instruments, in 2013 the Commission will work towards ensuring that the transition to new partnerships is not disruptive. It will pursue the implementation of programmes already committed under the current MFF and focus remaining commitments and on-going operations on ensuring their long-term sustainability.

Negotiations with the European Parliament and the Council on the MFF 2014-20 will continue, with a view of reaching an inter-institutional agreement leading to the adoption of the financial instruments' regulations by 2013.

In promoting Policy Coherence for Development (PCD) in EU policymaking, the Commission will prepare the fourth edition of the Biennial EU Report on Policy Coherence for Development that is scheduled for publication in 2013.

## **Post-2015**

The year 2013 will greatly contribute to the shaping of discussions on the post-2015 framework and the EU intends to be actively involved in this process.

At UN level, a UN special event on reviewing the progress on the MDGs is scheduled for autumn 2013. In parallel, the process started to elaborate **Sustainable Development Goals** (SDGs) as agreed at the UN Conference on Sustainable Development in Rio, initiated in 2012, is likely to yield first insights in the second half of 2013.

In addition, the **UN High-level Panel on the Future of Development**, of which European Commissioner for development Andris Piebalgs is a member, is expected to submit its final report at the end of May 2013.

At the EU level, the Commission will adopt the communication "A Decent Life for All: Ending Poverty in Giving the World a Sustainable Future" in February 2013 which will propose the key principles for an EU approach to the post-2015 process.

Council conclusions on this document, expected to be adopted in June 2013, should reinforce the common EU approach to the post-2015 discussions.

The European Report on Development 2013 "Post 2015: Global Action for an Inclusive and Sustainable Future" is funded by the Commission and seven EU Member States. It will touch on the core issues related to the future of development policy beyond 2015 and will be presented in Brussels in April 2013.

The issue of a post-2015 development framework is planned to also be the central theme of the European Development Days in 2013.

## **2. CHAPTER 2 - IMPLEMENTATION: GEOGRAPHIC OVERVIEW**

### **Introduction**

This chapter presents the EU's external assistance in the main geographic regions. The geographic instruments covered here are the European Neighbourhood and Partnership Instrument (ENPI), the Development Cooperation Instrument (DCI) and the European Development Fund (EDF). 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 EDF is separate from the EU budget, which finances external assistance to other geographic areas and the thematic aid programmes.

This report does not cover the Common Foreign and Security Policy (CFSP)<sup>44</sup> or the current Instrument for Pre-Accession Assistance (IPA), which is covered by a separate report<sup>45</sup>. A short section of this report is dedicated to humanitarian assistance<sup>46</sup>.

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

## **2.1. European Neighbourhood and the Middle East**

### **2.1.1. European Neighbourhood & Russia**

#### **Introduction**

Mutual accountability and a shared commitment to human rights, democracy and the rule of law are at the core of the renewed European Neighbourhood Policy (ENP)<sup>47</sup>. In line with the incentive-based approach, this involves a high level of differentiation and gives each partner country scope to develop its relationship with the EU according to its aspirations, needs and capacities. Closer economic integration and stronger political co-operation on governance reforms, security and conflict resolution - including joint initiatives in international fora on issues of common interest are key aspects of the ENP.

Above all, the ENP seeks to support 'deep and sustainable democracy' and to form partnerships by: intensifying political and security cooperation; supporting inclusive and sustainable economic and social development; creating growth and jobs; strengthening trade ties, including offering gradual economic integration in the EU single market; improving sector cooperation; promoting further mobility and enhancing regional partnerships.

To implement this new policy, substantial - partly additional - funding for the Neighbourhood for the period 2011-13 was earmarked. In 2012, the umbrella programmes for providing additional support for the Southern and Eastern Neighbourhoods (SPRING and EaPIC respectively) were consolidated and several allocations under these programmes have been made. Country allocations were announced to three countries in the Eastern Neighbourhood (Republic of Moldova, Georgia and Armenia) for a total amount of EUR 65 million. In the Southern Neighbourhood, allocations under the SPRING programme were made *inter alia* to Tunisia, Jordan and Morocco.

The renewed ENP and its key principles are also reflected in the Commission's proposal for the new European Neighbourhood Instrument (ENI), part of the overall proposal on the 2014-

---

<sup>44</sup> For more information on CFSP visit [http://www.eeas.europa.eu/cfsp/index\\_en.htm](http://www.eeas.europa.eu/cfsp/index_en.htm)

<sup>45</sup> For more information on the IPA visit [http://ec.europa.eu/enlargement/instruments/overview/index\\_en.htm](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm)

<sup>46</sup> For more information on humanitarian assistance go to [http://ec.europa.eu/echo/index\\_en.htm](http://ec.europa.eu/echo/index_en.htm)

<sup>47</sup> [http://ec.europa.eu/world/enp/index\\_en.htm](http://ec.europa.eu/world/enp/index_en.htm)

20 Multiannual Financial Framework (MFF). Negotiation of the new ENI proceeded well and had entered trilateral discussions with the Council and the European Parliament at the end of 2012.

### **The Southern Neighbourhood and the Arab Spring**

Throughout 2012, the EU implemented its response to the Arab Spring in accordance with the two joint Commission/HR/VP communications issued in 2011<sup>48</sup>. These communications set out an incentive-based approach (the so-called “more for more” principle) designed to support partners who deliver on reforms and build “deep and sustainable democracy”.

The EU issued several political condemnations of the repression in Syria and applied a set of measures including economic sanctions, trade embargoes, asset freezes and visa bans. The EU provided humanitarian assistance to refugees from Syria.

Following the events of the Arab Spring, President Barroso, HR/VP Ashton and Commissioner Füle regularly visited the region, among other things to convey the EU's political commitment to the Syrian people and to all countries engaged in the democratisation process. At the 5+5 Summit in October<sup>49</sup>, President Barroso, accompanied by Commissioner Füle, also met with the leaders of the Maghreb. EU task forces meetings organised by the EU Special Representative for the Southern Mediterranean region (EUSR) with Tunisia, Jordan and Egypt have enhanced EU engagement in a tailored and differentiated way by mobilising all of the EU's assets, to catalyse the public and private sectors.

Support for elections was a key focus of 2012 and the EU deployed full observation missions to Tunisia, Jordan, and Algeria and an Election Assessment Team (EAT) was sent to Libya. The EU provided technical assistance to help the authorities organise elections in Tunisia, Libya, Egypt and Morocco and supported civil society organisations (CSOs) in raising public awareness of the democratic process and training domestic election observers. The EU is also providing extensive support to help build democratic institutions.

The role of civil society is crucial to the democratic debate and to ensure better public accountability. The Commission created the Neighbourhood Civil Society Facility in 2011 to support civil society and promote reform. It also increased its support to the Anna Lindh Foundation, which facilitates the action of civil society in the Euro-Mediterranean Region through promoting shared values and intercultural dialogue, civil society and NGO to participation in democratic transition and reform processes. Furthermore, the Commission is providing financial support to the newly created “European Endowment for Democracy” to support emerging political/social movements and grass roots organisations.

In addition to the EUR 3.5 billion already programmed for the 2011-13 period, the EU is providing EUR 700 million in new grants for the southern Neighbourhood. The European Investment Bank (EIB) can now provide additional loans of up to EUR 1.7 billion (EUR 1 billion from the "Mediterranean mandate" and up to EUR 700 million to address climate change). Furthermore, the enlarged European Bank for Reconstruction and Development

---

<sup>48</sup> Joint communication COM (2011) 0200, 8.3.2011

<sup>49</sup> The 5+5 Dialogue is an informal forum for dialogue in the Western Mediterranean that has, since its creation in 1990, has united five countries on the northern shores (Spain, France, Italy, Malta and Portugal) with five countries on the southern shores (Algeria, Libya, Morocco, Mauritania and Tunisia).

(EBRD) mandate – as first proposed by the EU - enabled an extra EUR 1 billion to be mobilised for activities in Egypt, Morocco, Tunisia and Jordan.

To improve agricultural productivity, the Commission launched an agriculture and rural development (ENPARD) initiative. The EU is also financing programmes to boost small and medium enterprises (SMEs) and reduce unemployment. In the areas of energy and transport, the Commission continued its support for regulatory reform and market integration and is consulting with Member States and Partners on the establishment of a Mediterranean Energy Community. On the environment, the EU has continued to support the cleaning up of the Mediterranean through the Horizon 2020 initiative.

Following the Council's adoption of negotiating directives for Deep and Comprehensive Free Trade Areas (DCFTAs) with Morocco, Jordan, Egypt and Tunisia in December 2011, preparatory work has been completed with Morocco so that negotiations should start in early 2013. Preparatory work has also progressed well with Tunisia.

Dialogues on migration, mobility and security launched in 2011 with Tunisia and Morocco aiming at the conclusion of mobility partnerships have progressed in 2012, and those with Morocco are nearly complete. This will allow the Commission to request a mandate from the Council to negotiate visa facilitation and readmission agreements. In December the Dialogue on migration, mobility and security was also launched with Jordan.

An additional budget for Erasmus Mundus led to an increase in the number of student grants which rose from 599 in 2010 to 1 462 in 2012. The number of grants for Masters/PhDs rose from 34 to 161 in the same period. Additional funds for the Tempus programme led to an increase in the number of projects from 23 in 2010 to 34 in 2012. European Training Foundation (ETF) funding was increased by EUR 1 million in 2012 and the Commission is extending the e-twinning programme for schools to Tunisia and Egypt.

The EU continues to affirm its engagements with regional organisations. In 2012 it took over the Northern Presidency of the Union for the Mediterranean (UfM) and is currently providing support to the UfM secretariat to develop regional projects. In November 2012, the EU-League of Arab States Ministerial agreed a comprehensive political declaration and joint work programme. The EU also encouraged regional integration in the Maghreb, including through a joint communication by the Commission and the HR/VP. The Commission has signalled its readiness to support initiatives launched in the 5+5 context.

## **The Eastern Neighbourhood**

In 2012, the Eastern Partnership (EaP) made significant progress both on the bilateral and multilateral track.

An important step was the joint communication “Eastern Partnership: A Roadmap to the Autumn 2013 Summit<sup>50</sup>” on May 15 2012. The accompanying bilateral and multilateral roadmaps will guide implementation of the Partnership in the run-up to the Autumn Summit which will be held in Vilnius in November 2013.

---

<sup>50</sup> JOIN(2012) 13 final

In July 2012 the Foreign Ministers of the Eastern Partnership (EaP) welcomed new areas of cooperation: in public administration reform, transport and migration and asylum. The Civil Society Forum of the EaP participated in the multilateral meetings and national platforms have now been established in all six EaP countries.

## **Russia**

At the EU-Russia Summit in Brussels on 21 December 2012, leaders on both sides underlined their determination to develop this Strategic Partnership further on the basis of common interests and openness to discussing existing differences. The Summit welcomed progress in the Partnership for Modernisation, the EU-Russia Energy Roadmap and cooperation with satellite navigation, civil protection and research and innovation. In connection with the latter, it was announced that the year 2014 will be the EU-Russia Year of Science.

Legislative changes in Russia limiting the activities of civil society and the exercise of fundamental rights are a matter of concern. This issue was raised at both EU-Russia Summits in 2012, during the Human Rights Consultations and in discussions with the European Parliament.

Foreign policy cooperation on Iran, Afghanistan and the Middle East continues to be good. However, differences continue over Syria and divergent views on the protracted conflicts in the Common Neighbourhood have become more accentuated.

Russia's accession to the WTO last year was a major step forward; effective implementation of all WTO commitments remains crucial for full benefits to be reaped. President Putin's confirmation during the December 2012 Summit that the new agreement was of great importance to Russia should give renewed impetus to the talks. Progress has been made on mobility and visa issues.

The Partnership for Modernisation, a pragmatic framework which provides added momentum to EU-Russian cooperation, is now being fully implemented. Twenty three EU Member States have concluded bilateral modernisation partnerships with Russia, reinforcing and underpinning the EU-Russia partnership.

## **Aid effectiveness and donor coordination**

In 2012, the EU continued to play an important role in a donor coordination process in many ENP partner countries. Sector budget support (SBS) has been an important form of assistance and been used to increase ownership and aid effectiveness in line with the Paris Declaration and the Backbone Strategy. In several partner countries, such as Algeria and Belarus, the EU is also the main donor.

The EU Delegations acted as the driving force in promoting local donor coordination by organising regular coordination meetings with the EU Member States, international finance institutions and other donors (for example in Azerbaijan, Belarus, and Moldova). In contrast, donor coordination by the national authorities remained relatively weak in some partner countries, such as Ukraine.

Aid coordination is driven by a number of working groups: EU Cooperation Counsellors and thematic working groups, as well as dedicated and co-ordination meetings in the framework of budget support programmes. By promoting sector coordination, the EU has established a



fruitful dialogue with donors in key sectors such as justice, agriculture, environment, energy, regional development, trade and support to civil society. Furthermore, when possible the EU has increasingly aligned its cooperation to the partner country's own strategies (e.g. Algeria, Tunisia, Georgia, and Armenia). In Georgia, for instance, the working group on agriculture has played a key role in reviewing the national agriculture strategy, paving the way for SBS. In Belarus, the EU organised coordination meetings with the main implementers of EU assistance to civil society while in Moldova the EU Delegation is leading the donor coordination on Transnistria.

Aid effectiveness and donor coordination are of particular importance to partner countries facing crisis situations. The EU has taken a leading role in non-humanitarian donor coordination in Syria in order to enhance the sharing of information and the coordination of existing support to the Syrian population as well as to coordinate preparation efforts for the ensuing transition period.

In Libya, local coordination is implemented at both EU level and within the United Nations Special Mission to Libya's coordination structure. This coordination was reinforced throughout 2012 with the development of the EU Delegation to Libya that was opened in 2011. Complementary capital-based coordination meetings take place in Brussels every two months to address specific topics such as governance and security. Concerning Egypt, the Donor Partnership Group worked throughout 2012 to reinvigorate donor coordination and engagement with the new government. In Palestine, the EU continued to play a leading role in donor coordination including at the local EU Member States level.

The EU continued to promote specific initiatives to bolster commitment and drive development. For example, the EU Delegation, alongside the UN, took the lead in a formal aid coordination mechanism with the Tunisian government as part of a concerted attempt to maximise impact and ensure that the strategic focus of assistance is in line with the country's needs.

### **Working towards the MDGs**

In 2012, several ENPI programmes, mainly delivered through SBS, were directly linked to the MDGs. In addition, some EU-funded projects - particularly grants implemented by NGOs - supported a number of these goals. This was especially the case with projects related to primary health care and HIV/AIDS, access to safe water, internally displaced people, refugees and people with disabilities.

In the current crisis context in Syria, the support provided to the Syrian population and to Syrian refugees in the neighbouring countries (notably in Lebanon and Jordan) has contributed to the fight against extreme poverty (MDG 1).

A number of programmes in the southern Neighbourhood contributed towards the achievement of universal primary education (MDG2). In Libya, for instance, the education programme "Better Quality Education and Increased Inclusiveness for All Children" promotes universal primary education by supporting access to quality education for all children, including those with special needs and those affected by the conflict, particularly internally displaced children. The EU has ensured that Palestinian refugees are provided with education services through over 700 United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) elementary, preparatory and secondary schools and ten vocational training centres in Palestine and its neighbouring countries (Jordan, Syria, Lebanon). In

Morocco, there has been an increase in the enrolment of girls in school in rural areas as well as in school attendance of children from poor families.

Promoting gender equality and empowering women (MDG3) was supported through various EU programmes. For instance, the "Women's and Children's Rights" programme in Ukraine promoted gender equality and non-discrimination at work. An EU project supporting women's active participation in local elections and decision-making processes in Armenia aimed to strengthen the knowledge and capacity of local authorities to bring about participatory and gender-sensitive governance. The project also supported gender advocacy campaigns at the local level. A similar project in Libya has built on women's capacity to participate in political life, to take part in the constitutional process and to fight discrimination. In addition, the education programme in Libya promotes a gender-sensitive school environment in which textbooks and other teaching materials have been reviewed against gender discrimination. In the southern Neighbourhood, a new regional programme "Spring Forward for Women" has been adopted which will help marginalised women access and participate in economic and public life.

In Georgia, Moldova and Morocco, the EU supported reforms of the primary health care system which contributed to maternal health (MDG 5) and the combating of HIV/AIDS, malaria and other diseases (MDG 6). In Tunisia, support for basic and intermediary healthcare services in the most impoverished regions also contributed to these MDGs by increasing the range of available healthcare services in these regions and improving access to them.

In Libya, the EU has been delivering a comprehensive package of care services to people with HIV. Around 90 clinicians were trained in patient care, while over 350 health care workers in hospitals have been sensitised to HIV/AIDS. Infection-control strategies to reduce the impact of hospital-acquired infections in Libya have been enhanced in several hospitals - including in neonatal intensive care hospital units (MDG 4 - reducing child mortality rates). Moreover, activities facilitating the integration of TB and HIV services have been undertaken in order to improve the management of both diseases. In Morocco, the EU supported the government in establishing medical insurance for the poorest in order to make health care affordable to them. EU support also increased the number of chronic diseases taken in charge by public hospitals and improved access to obstetric services in public hospitals. Thanks to EU support there was also an increase in the number of births attended by qualified medical staff (MDG 4).

The EU also actively contributed to environmental sustainability (MDG 7) through regional projects aimed at increasing the use of renewable energy, depolluting the Mediterranean Sea and using marine resources more effectively. A specific programme to improve the supply of drinkable water in Gaza, as well as the management of solid waste, has been set up. Both are issues of great concern for the people of the Gaza Strip.

## **Implementation and results**

### **Bilateral cooperation**

#### **Southern Neighbourhood**

In response to the wave of events that has swept across the Southern Neighbourhood since the beginning of 2011, the EU has kept up its substantial level of support to southern partner countries in 2012 by coordinating and bringing to bear all its instruments and policies.

In the Southern Neighbourhood, a few partner countries benefited from the SPRING programme supporting their efforts in terms of democratic and economic reform. Under this umbrella programme, the provision of funding is linked with commitment to and progress in, deep democracy and respect of human rights. Allocation of funding was announced for six countries (Algeria, Egypt, Jordan, Lebanon, Morocco and Tunisia), with disbursement to be based on partner countries' fulfilling specific sets of benchmarks. Implementation has started in Tunisia, Jordan, Lebanon, and Morocco.

## **Maghreb**

The EU contributed EUR 34 million to environmental protection in **Algeria** via a new programme focusing on the coastal areas around Algiers. EU cooperation also targeted the fisheries sector (EUR 15 million). Agriculture and rural development have already been supported by several EU programmes in recent years helping to strengthen quality systems in agriculture and national food production.

In **Libya**, the impact of assistance programmes prepared after the revolution in support of democratic transition started to be felt in 2012. Under the Public Administration Facility programme, an induction seminar was carried out for General National Congress members. In the education sector, 103 schools damaged by fighting have been repaired and/or cleaned. Training programmes to help teachers identify and support students with special needs were provided to 80 teachers, social workers and headmasters. An additional 106 public school teachers and those working with internally displaced persons' (IDP) camps were trained in positive discipline, children's rights and child-centred teaching. In the civil society sector, four training centres were set-up and over 1 200 civil society activists participated in training sessions, of which 40 % were women. In addition, the European Instrument for Democracy and Human Rights (EIDHR) has funded activities in the areas of democratisation, women's rights, media training, support to torture victims, national reconciliation and capacity-building related to the elections.

In **Morocco**, the EU pursued its support to social protection, education, literacy and health. It also supported the government's rural development policies and the construction of infrastructure in landlocked areas. In 2012, three new programmes were adopted:

- the reform of public finance management (EUR 75 million).
- support to the National Initiative for Human Development (EUR 25 million) which aims to improve access to quality basic social services in the poorest areas of Morocco with a view to reducing social and regional inequalities.
- a programme supporting the Moroccan forestry policy (EUR 37 million).

Additionally, eight SBS programmes were implemented amounting to a total of EUR 73.2 million in EU financial assistance. This type of support has proved invaluable in advancing policy dialogue with Morocco and assisting the country with the social policies and reform processes that it has embarked upon (e.g. in the field of health and education).

In **Tunisia**, the 2012 Annual Action Plan (AAP) was composed of two key actions: the provision of support for basic and intermediary healthcare in the most impoverished regions of Tunisia (EUR 12 million) and a budget support programme to support economic recovery (EUR 68 million). Jointly implemented with the World Bank and the African Development

Bank, this was the first State Building Contract specifically tailored for an economy in transition. Under the SPRING programme support to Tunisia has been earmarked for: capacity building for civil society (EUR 7 million); justice sector reform (EUR 25 million); the support of the most densely populated neighbourhoods (EUR 33 million) and the implementation of the Association Agreement and its transition (EUR 15 million).

## **Mashrek**

Despite political instability and a series of transitional governments, the EU kept up its commitments to **Egypt** in 2012 by adopting new programmes targeting those in most need. An existing energy programme was scaled-up for EUR 30 million while three new programmes, amounting to EUR 130 million were approved. One programme will improve the health of 15 million Egyptians in four governorates in Upper Egypt through improved water and wastewater services (EUR 10 million). Continuing EU support for technical and vocational education, as well as training reform amounting to EUR 50 million, will improve the employment prospects of young Egyptians and contribute to the competitiveness of the Egyptian economy by providing a skilled workforce. In partnership with the World Bank the EU supports short-term job creation and youth employability through the Emergency Employment Investment Project (EUR 70 million).

In **Lebanon**, the EU continued to provide assistance to: raise the living conditions of Palestinian refugees in the country; to assist the government carry out mine clearance, improve the quality of education and vocational training curricula and support the work of the national employment agency. It also adopted projects designed to reinforce democratic governance by supporting the Lebanese Parliament and assisting the government to fulfil its international human rights obligations. Through the SPRING programme, the EU also proposed to assist with electoral reform.

To mitigate the impact of the Syrian crisis in Lebanon, the EU launched humanitarian and non-humanitarian aid programmes in support of refugees and host Lebanese communities. In 2012, the ENPI provided EUR 15 million to assist the Lebanese government address the effects of the Syrian refugee crisis. EU assistance provided to Lebanon in 2012 amounted to EUR 84 million, of which EUR 22 million from SPRING).

In the light of the crisis and the systematic violations of human rights in **Syria**, the EU has suspended all cooperation with the Syrian government since 2011. However, in 2012 it remained committed to delivering aid in support of the Syrian people, refugees, students, human rights defenders and civil society in general. Complementing humanitarian assistance, two special measures totalling EUR 48 million were adopted to assist Syrian civil society and Syrian refugees in the neighbouring countries. The funds address the medium and longer-term needs of the population (for example in education, vocational training, livelihoods and the capacity building of Syrian CSOs). Support has also been provided to human rights organisations and NGOs to promote activist networking and advocacy, the monitoring of human rights violations, digital security, support to Syrian bloggers and the independent media.

As in the previous year, EUR 2 million was allocated for twinning programmes between Israeli and EU Member State institutions designed to align **Israel** to EU standards and norms. An additional EUR 0.5 million was allocated to the Civil Society Facility.

In **Palestine**, the EU continued to give strong support to the Palestinian Authority (PA) so that it can provide essential services and maintain a functioning administration. EU funds are conveyed through the Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique (Pegase), which has shown itself to be a reliable and effective system enabling the PA to pay its employees, pensioners and most vulnerable citizens. Alongside direct financial support to the PA, the EU continued to support the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which provides essential health, education and social protection to Palestinian refugees in the Gaza Strip as well as neighbouring countries.

The third component of bilateral cooperation with the oPt consisted of development projects that focus on sectors such as the rule of law, private sector development and water infrastructure as well as in areas of concern relating to the stagnation of the peace process, such as East Jerusalem and Area C, the part of the West Bank under direct Israeli occupation.

The 2012 AAP for **Jordan** included three new initiatives targeting: the justice sector (EUR 30 million), security sector reform (EUR 5 million) and media and civil society support (EUR 10 million). In addition, the EU mobilised support for Syrian refugees in Jordan, and provided non-humanitarian assistance - principally education for Syrian refugee children in Jordan (EUR 20.8 million) - by working with UNICEF. Jordan also benefitted from an additional EUR 70 million allocation from SPRING, with EUR 30 million of this earmarked for education reform, electoral system support, justice and businesses. EUR 40 million was allocated in the form of a Good Governance Development Contract – the first budget support of this type in the Neighbourhood region – designed to support democratisation and economic reform.

## **Eastern Neighbourhood**

In **Armenia**, the EU continued to support reforms in justice, public finance management (PFM), trade and education. Budget support in the justice sector contributed to reforms leading to improved quality and access to judicial services. New court buildings were built and training for lawyers was carried out. Budget support for vocational education and training (VET) continued to help the education system adapt to current job market needs. The renovation of twelve multi-disciplinary colleges across the country was completed and several training courses for directors and teachers were held. The new EaP's Comprehensive Institution Building (CIB) programme paved the way for capacity development of core institutions negotiating new bilateral agreements with the EU: the Association Agreement (AA) included a Deep and Comprehensive Free Trade Area (DCFTA). Additional funds were granted to Armenia via the Eastern Partnership Integration and Cooperation (EaPIC) programme to give additional support to the VET and justice reforms. This increase in financial assistance was in line with the “more-for-more” principle.

In **Azerbaijan**, SBS operations continued to stimulate reforms in the energy and justice sectors and a new programme in support of rural development was signed. Planned sector budget programming in public financial policy was not approved by the national authorities and consequently the total funding for Azerbaijan in 2012 was reduced. Nevertheless, the EU maintains an interest in continuing the policy dialogue on PFM. The twinning instrument continued to be very successful with one of the highest rates of implementation in the region. By the end of 2012 there were 13 ongoing twinning projects and six more in preparation in areas such as statistics and standardisation/metrology.

Following the 2010 post-electoral crisis in **Belarus**, the EU significantly stepped up its support to civil society, students and the independent media with a package worth over EUR 40 million to cover the period 2011-13. Two new programmes to promote the green economy and facilitate mobility exchanges between Belarus and the EU were adopted in 2012.

EU funding provided to **Georgia** in 2012 supported policy reforms in key sectors, such as agriculture, which employs almost 50 % of the population. This support was timely as Georgia was preparing its first comprehensive agriculture strategy to tackle competitiveness and employment. The EU will support the implementation of this national policy, with a focus on small farmers' associations. This support is in line with the objective of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD). In addition, the CIB programme supported key national institutions involved in negotiations for future EU-Georgia agreements (Association Agreement, including a DCFTA). Among the institutions that received EU support, the public defender ombudsman's office gained international acknowledgement for its independence and professionalism. Through the EaPIC programme, Georgia received additional funds to strengthen human rights in the criminal justice sector and to work on migration and border management, in accordance with the "more for more" approach.

Ongoing budget support operations boosted reforms and stimulated positive changes in **Moldova**. For example, the "Economic Stimulation in Rural Areas" programme supported the implementation of regional development policy. Through this programme, the EU also provided additional assistance to help drought-affected Moldova during the summer. Additionally, budget support in the health sector helped reforms in the primary health care system. The EU also played an increasingly active role in the peaceful settlement of the Transnistria region helping to build confidence, promote economic and social development and encourage dialogue between LAs, civil society and others. In 2012, Moldova benefited also from increased financial assistance via the EaPIC programme.

Energy, energy efficiency, migration, institution building and local development were key sectors in EU cooperation with **Ukraine** in 2012. On energy, the EU continued supporting sector reforms and facilitating an alignment with EU norms and commitments in the Energy Community which Ukraine joined in 2011. Sustainable social and economic development at local level was boosted with a new programme for a community-based approach to local development. Further twinning projects were launched in the areas of rail transport and satellite navigation. The sector policy support programme (SPSP) for administrative reform, approved in 2011, was cancelled because of lack of progress with the civil service law. Lack of progress in public financial management also led to a "review" of sectoral budget support payments as a whole. At the end of the year a partial payment was made for partial progress, as the Ukrainian government approved a concept paper and prepared an action plan to improve public financial management.

The key aspects in the EU-**Russia** bilateral cooperation are the Partnership for Modernisation and support to civil society. EU funding focused mainly on justice and trade-related matters, particularly on technical standards and accreditation systems. With EU assistance, Russia acceded to the 1980 Child Abduction Convention. At the end of 2012 a new project on anti-corruption cooperation in the business sector was launched. Founded in 2011, the EU-Russia Civil Society Forum facilitated contacts between Russian and EU civil society actors.

## **Regional cooperation**

Cross-cutting issues such as environmental protection, combating sea pollution, fighting organised crime and terrorism are most effectively tackled at a regional level, complementing bilateral cooperation programmes. Throughout 2012 the EU continued to actively use pre-existing platforms for regional cooperation such as the EaP and the UfM.

The EU has also responded to the call for stronger engagement with civil society as set out in the revised ENP by launching the second phase of its Neighbourhood Civil Society Facility which strives to increase the role of CSOs in furthering public accountability. A new project was launched to strengthen the capacities and competencies of journalists from the Neighbourhood in the area of European affairs.

Through a coordinated effort between the European Institutions and all Member States, a European Endowment for Democracy (EED) was established in 2012 as a private law Foundation under Belgian law. Its objective is to support pro-democracy activists and/or organisations fighting for democratic transition in the Neighbourhood and beyond, using dedicated and flexible procedures.

## **Regional cooperation south**

Regional cooperation with southern neighbours in 2012 continued to focus on meeting the challenges of the popular uprisings that have shaken the Arab world and prompted calls for dignity, democracy and social justice.

Support for human rights, democracy and good governance has been strengthened through programmes such as EuroMed Justice III as well as a joint EU-Council of Europe programme. The EU also launched an ambitious programme aiming at the political and economic empowerment of women in the Southern Mediterranean in the context of the events that unfolded after the Arab Spring.

In 2012 the EU remained actively engaged with regional organisations, such as the League of Arab States and the UfM, taking over the Northern Co-Presidency of the UfM in March 2012. This allowed a more dynamic political exchange and a better articulation of UfM activities with EU sector policies and priority programmes including: the Mediterranean Solar Plan, the de-pollution of the Mediterranean as well as the development of Motorways of the Sea and land highways. At the EU-League of Arab States (LAS) Ministerial Meeting held in November a clear political message was given to establish a practical cooperation between the EU and the LAS. It endorsed a joint work programme in various fields such as the empowerment of women, crisis management, humanitarian action, human rights and civil society.

In 2012 micro, small and medium enterprises in the region started to receive support through the SANAD (meaning "support" in Arabic) fund, which facilitates lending to local enterprises via local banks and microfinance institutions.

In the area of transport, implementation of the regional transport action plan continued and several new projects were launched including: Aviation II and the creation of a special Mediterranean cell in the European Aviation Safety Agency; a project aiming at reducing road accidents in cooperation with the International Federation of Red Cross and Red Crescent

Societies; a project helping to improve the effectiveness of rail and road transport, as well as a series of projects relating to use of satellite navigation services in the region.

New projects have also been launched in the area of water and the environment, tackling issues such as the sustainable consumption, production and management of water. Support was also given to LAs in the region to assist with the design and implementation of local sustainability strategies such as improving energy efficiency and environmental protection.

### **Regional cooperation east**

During 2012, support to the EaP was boosted with key programmes in the areas of democracy, good governance and stability, economic development, climate change, energy and the environment, and establishing contacts between people. Five EaP flagship initiatives on border management, support for SMEs, energy, civil protection and environmental governance are also well under way.

To support democratic development a EUR 5 million Police Cooperation programme was approved to increase cooperation on cross-border crime and the rule of law in 2012. EUR 7.25 million was mobilised for the management of the Armenia-Georgia and Belarus-Ukraine borders. The EUR 4 million Council of Europe Facility continued to support electoral and judicial reforms and the fight against corruption and cybercrime. The EaP Civil Society Facility allocated EUR 13 million to support the role of civil society in policy making.

Concerning economic development, EUR 34 million was mobilised under the SME Flagship Initiative for investment and trade facilitation (East-Invest), the Enterprise Growth Programme-Business Advisory Services (EGP-BAS) and an SME Financing Facility. SME policy performance was reviewed by the OECD. In the field of transport, a EUR 3 million initiative to improve road safety and to continue to develop a pipeline of infrastructure projects in the EaP was launched through the TRACECA programme.

Energy cooperation remained a top priority in 2012. Ongoing projects funded with EUR 46 million under the INOGATE programme<sup>51</sup>, continue to support the EaP Energy Flagship and regional energy markets. The Covenant of Mayors' secretariat in Kiev and Tbilisi as well as a number of pilot projects in the region were financed with EUR 6.5 million. With the support of the Commission's Joint Research Centre (JRC), methodologies and tools for Sustainable Energy Action Plans (SEAPs) were adapted to the needs of cities in partner countries. Support was provided to cities developing their own SEAPs.

The agriculture and rural development sectors were assessed in 2012 and a set of common challenges for the region were identified. These will be discussed under the newly established EaP Panel on Agriculture.

In the field of environment and climate change three new programmes were launched in 2012 on: Green Economies (GREEN - EUR 10 million), Forest Law Enforcement (FLEG II -, EUR 9 million) and Climate (EUR 18 million). These programmes will help partner countries move towards the EU *acquis* and integrate environment and climate change into their national strategies.

---

<sup>51</sup> [http://ec.europa.eu/europeaid/what/energy/policies/eastern-neighbourhood/inogate\\_en.htm](http://ec.europa.eu/europeaid/what/energy/policies/eastern-neighbourhood/inogate_en.htm)



Concerning people-to-people contacts, EUR 29 million was allocated to the EaP "Youth in Action" window to support some 1 400 projects affecting some 21 000 young people and youth workers.

### **Inter-regional dimension**

Inter-regional operations support both the Southern and Eastern Regions with activities that can be managed more efficiently and flexibly at inter-regional level. These include two institution-building instruments: the Technical Assistance and Information Exchange instrument (TAIEX) and the Support for Improvement in Governance and Management (SIGMA). TAIEX aims to foster political and economic cooperation, focusing on the approximation, application and enforcement of EU legislation through the provision of short-term expertise, workshops and study visits. In 2012, 383 events, involving around 10 000 beneficiaries from 16 Neighbourhood countries and Russia, were organised.

SIGMA is a joint initiative of the OECD and the EU, which helps partner countries install governance and administrative systems. SIGMA is active in eleven neighbouring countries: Algeria, Armenia, Azerbaijan, Egypt, Georgia, Jordan, Lebanon, Moldova, Morocco, Tunisia and Ukraine. Support focuses mainly on legal frameworks, civil service and justice, public procurement, financial control and external audit. In 2012, 43 SIGMA actions were approved. SIGMA and TAIEX activities are complementary to twinning projects selected in the ENP countries.

Through twinning, the EU has continued to help partner countries across the Neighbourhood acquire the necessary skills and experience to adopt, implement and enforce EU legislation through exchanges of public sector expertise. In 2012, 30 twinning projects were approved for 12 Neighbourhood countries with an overall budget of approximately EUR 35 million. These focus on institutional capacity building and legal harmonisation/approximation in the fields of finance, trade and industry, justice and home affairs.

The 2012-14 Regional Communication programme contributed to a greater understanding of EU policies and highlighted the cooperation projects carried out in the ENPI region. Results included the launch of the first ever Neighbourhood Barometer (an opinion poll among citizens in the Neighbourhood) and the training of more than 200 journalists.

The Tempus IV and Erasmus Mundus II inter-regional programmes are part of a strategy promoting higher education and training. In 2012, EUR 59.5 million was mobilised for Tempus to modernise and reform higher education systems in partner countries. Erasmus Mundus received EUR 76 million to promote student and staff mobility. Additionally, the Commission is extending the eTwinning programme to schools in EaP countries as well as Tunisia, and has increased support for the activities of the European Training Foundation in the Southern Mediterranean region.

The financing of the current Euro-Med Youth Programme has more than doubled with an additional EUR 6 million added to the original EUR 5 million budget. These extra funds will be allocated to the eight participating countries and to technical assistance. An EaP window in the Youth in Action programme was opened and a symposium on youth policy development was organised in Tunis in August in cooperation with the Council of Europe (CoE) and the Arab League.

In spring 2012, the Commission launched a policy dialogue on higher education and youth policies with Ministerial counterparts, universities and other key stakeholders from the South Mediterranean region.

The 2012-13 EaP Platform 4 work programme extends cooperation to education, youth, research and innovation, culture, the audio-visual sector and information society by increasing dialogue between the EU and partner countries and reinforcing their participation in education, research, youth and culture programmes.

A EUR 3.7 million programme was launched to support the participation of ENP countries in the work of EU Agencies.

Following the organisation by the EU of a high-level Euro-Mediterranean Conference in April on research and innovation, a EUR 2.5 million action was launched to support the coordination of national and regional policies and activities of the European Member States vis-à-vis de Mediterranean partner countries (ERA-NET). This will contribute to discussions on a long-lasting and sustainable coordination mechanism between the EU, its Member States and the Mediterranean partner countries in research and innovation.

The Neighbourhood Investment Facility (NIF) combines grants and risk capital with loans provided by European finance institutions for energy and transport infrastructure, the environment and SMEs. Projects supported in 2012 were wide-ranging and included support for Line 3 of the Cairo Metro and contributing risk capital to the Green for Growth Fund to broaden the range of operations.

### **Cross-border cooperation**

Calls for proposals worth about EUR 650 million have been launched and some 350 projects have been contracted and are generally well advanced. Most Cross-Border Cooperation (CBC) projects support social and economic development as well as common challenges (e.g. health, environment, education). In addition, EUR 285 million has been mobilised for 45 large scale projects mainly concerning border crossing point infrastructure, energy, transport and the environment. The contracting of projects will continue throughout 2013.

### **Monitoring and evaluation**

In 2012, Result-Orientated Monitoring (ROM) missions were implemented in all ENPI countries, except Syria and Libya. ROM coverage in the Neighbourhood reached 42 % of all ongoing projects/programmes and 34 % of the overall budget.

In all, 417 ongoing interventions (281 national projects, 64 regional programmes and 72 sub-regional CBC projects) were reviewed using ROM methodology while 45 completed projects were assessed ex-post amounting to a total budget of EUR 1.5 billion.

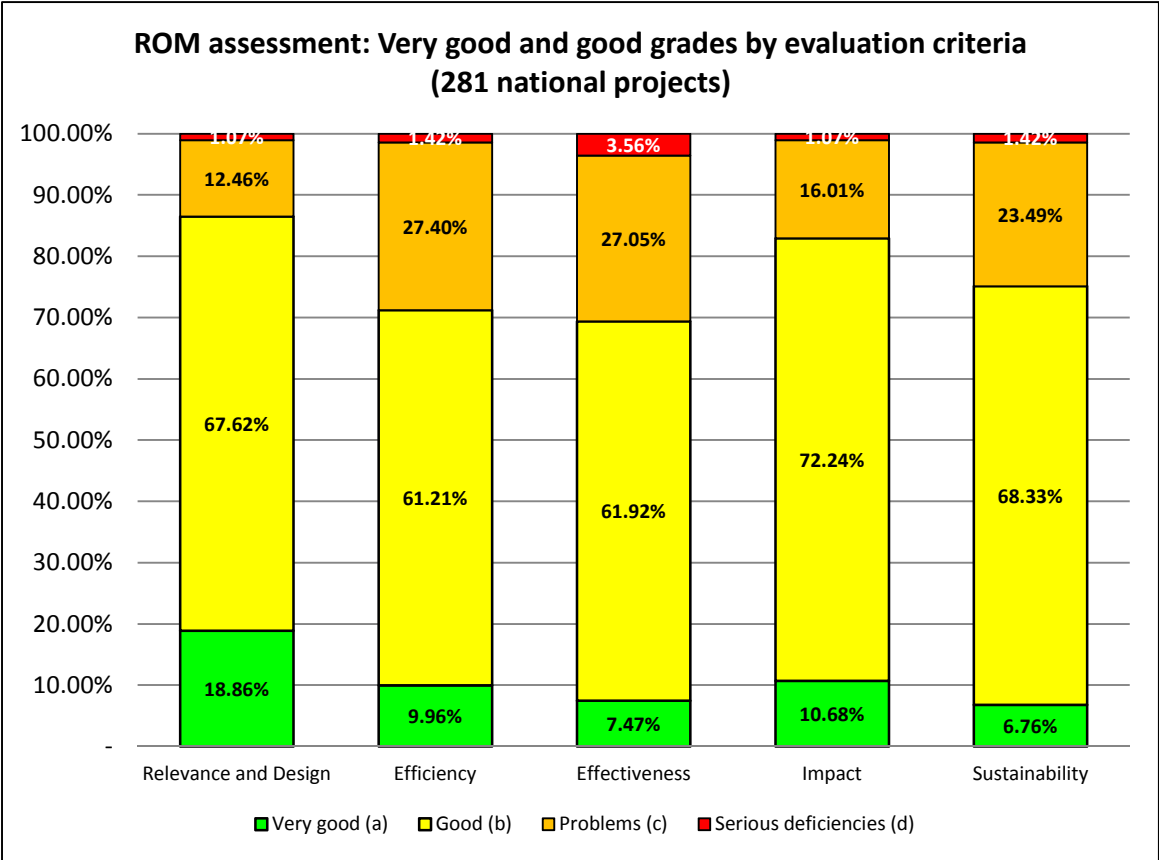
A continued improvement in the ENPI region was visible with the average score of the national projects increasing to 2.91 in 2012. About 83 % of the Neighbourhood portfolios scored "very good" (A) or "good" (B). For national projects this amounted to an increase of 6 % over 2011 while, at 5 %, the share of "non-performing projects" was virtually halved for the same period. The **regional portfolio** increased by around 20 % over 2011 and was fuelled by the ENPI CBC sub-regional projects which scored high on ownership and capacity building - which are usually problematic.

An analysis of the Development Assistance Committee (DAC) criteria demonstrates high relevance (3.05) which confirms good programming for approximately 86 % of **national interventions**. Impact prospects were the second highest at 2.95 while efficiency, at 2.80, was the lowest scoring criterion. The spread in scores between the **regional portfolios** for ENPI East and South was wider than for national projects, but relevance and impact were also the highest-scored criteria (East 3.08 and 3.09, South 2.90 and 2.82, respectively). Efficiency was again the lowest scoring criteria in both the ENPI regions with the East at 2.87 and South at 2.70.

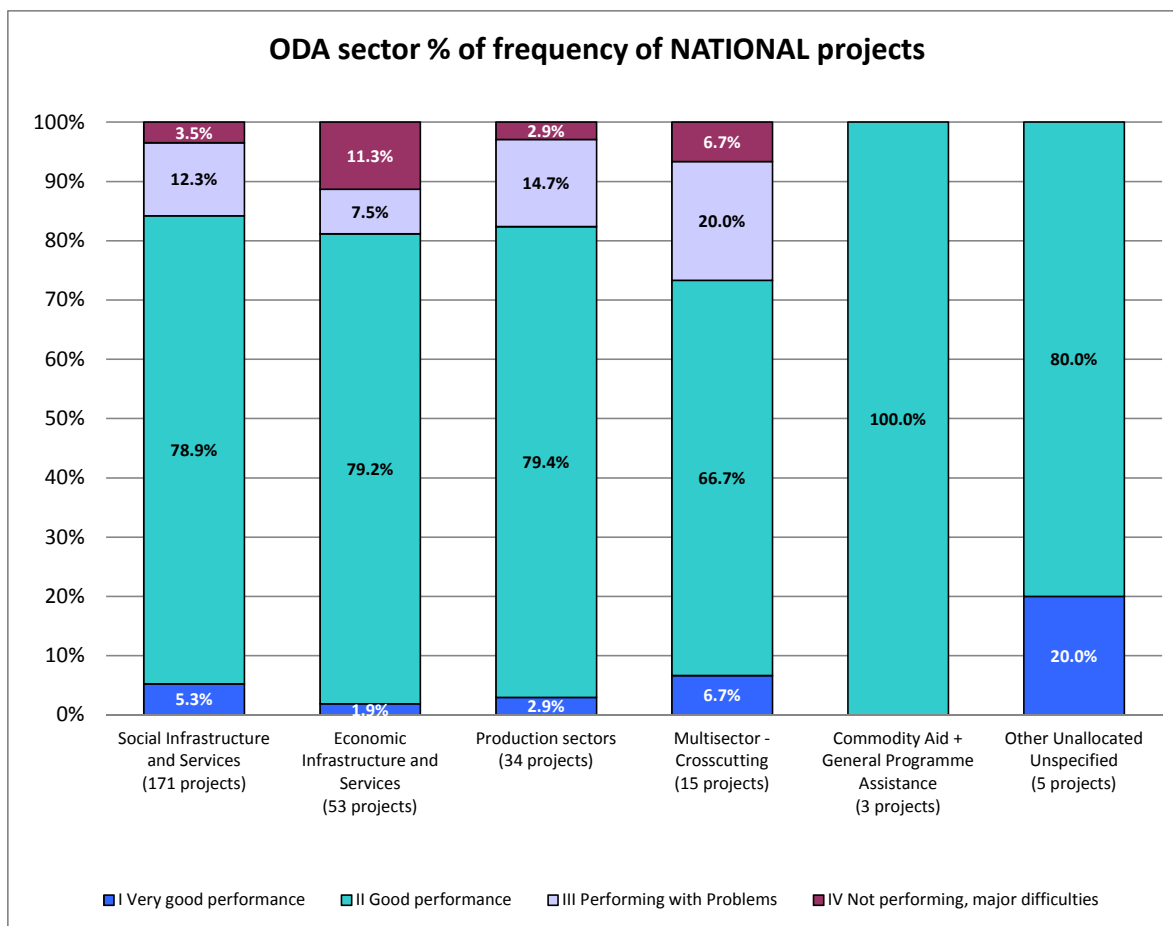
Relevance and impact scored highly in about 85 % of the national and regional projects, and potential sustainability was as at least "good" for 75 %. However, challenges remain with regard to efficiency. About 30 % of all ENPI national and 36 % of regional projects in ENPI South need to improve their performance (in terms of inputs used, work with partners and implementation of activities). Effectiveness scores low in 45 % of regional interventions in ENPI South as problems persist such as delivery of results in the aftermath of the Arab Spring.

The majority of interventions reviewed were in the social infrastructure and services sector and showed good performance (84.21 % of national projects and 78.79 % of regional portfolios were given A and B scores). Projects implemented in the government and civil society sub-sector contributed significantly to good overall sector performance. Projects in the economic infrastructure and services, and production sectors followed closely behind.

**Table 4:**



**Table 5:**



## Outlook

The implementation of the renewed ENP will remain the main focus throughout 2013, with particular emphasis on democracy building and good governance. Strengthening democratic accountability will require continued civil society support via the Civil Society Facility and through the newly established European Endowment for Democracy. Continued implementation of the more-for-more principle will also remain a priority in 2013 to be implemented mainly through the SPRING and EaPIC umbrella programmes.

In the Southern Neighbourhood, an additional EUR 150 million will be made available for the SPRING programme for allocation among partner countries on the basis of continued progress with democratic reform. Cooperation will focus on support for human rights, democracy, good governance and inclusive and sustainable growth. Work with private sector, civil society representatives and local and regional authorities will be reinforced as their role in the development of inclusive democratic societies in the region increases.

Concerning the situation in Syria, the EU will keep providing support to the Syrian population and refugees (including in neighbouring countries, notably Jordan and Lebanon) in order to attenuate the effect of the crisis on the population. In Palestine the EU is committed to the two-state solution and has continued its efforts to help the parties move towards a negotiated solution. In line with this objective the EU will continue to support the Palestinian Authority to build the democratic institutions of its future State.

In the course of 2013, ongoing DCFTA negotiations with Morocco and Tunisia are expected to make steady progress. The ongoing negotiations on mobility partnership declarations with Morocco and Tunisia are expected to be finalised in 2013.

In the eastern Neighbourhood, the EU will focus on sectors which are instrumental to democracy building and sustainable economic development such as justice, public finance reform and regional development. Support for agriculture, rural and/regional development will be a priority, for instance in Azerbaijan, Armenia and Georgia.

The EU will continue to assist institutions negotiating new bilateral agreements with the EU in the framework of the EaP (Association Agreement and DCFTAs). In Ukraine, the EU will be further reorienting its assistance towards the goals of the AA with a view to getting it signed in 2013. In Moldova, a specific action in support of the visa liberalisation process could be envisaged.

EU cooperation activities in Belarus will focus on health and social inclusion, local and regional economic development and the environment. In Russia, ongoing activities under the Partnership for Modernisation and Civil Society Forum will continue, and new calls for proposals will be launched for civil society.

#### **Securing education for displaced Syrian children**

Displaced Syrian children excluded from education are being assisted by a EUR 10 million EU programme. Implemented through UNICEF, its objective is to provide 5500 vulnerable Syrian and Jordanian children in 39 schools across Jordan with access to free formal education and other relevant education services, along with those in host communities in Jordan. The project supports the Jordanian education system at national and community levels.

#### **Boosting civil society in Libya**

In 2012, over 850 Libyans participated in training sessions and workshops facilitated through the 'Civil Initiatives Libya' project, a further group of 15 civil society representatives took part in a study visit to Europe. Another 2 150 Libyans - of whom 832 were women - attended training activities organised in four training centres set-up in Tripoli, Benghazi, Misurata and Sebha.

This comprehensive support is improving the capacity of civil society activists and local authorities to play a leading role in public service delivery and is promoting good governance. Training sessions included: strategic planning; project cycle management; voter education; elections monitoring; advocacy skills; the constitutional drafting process; transitional justice and mine risk education. This is contributing to the gradual emergence and development of a more inclusive and sustainable civil society.

#### **Trailblazing renewable energy in the Southern Mediterranean**

A benchmarking report has been issued on the integration of renewable energy into the electricity systems of nine Southern Mediterranean countries alongside studies on the infrastructure required. The three-year EU-funded, "Paving the Way for the Mediterranean Solar Plan" project is promoting greater use of renewable energy across the Southern

Mediterranean. It has set up a platform for dialogue to explore the possibilities of a harmonised regulatory framework for investments in renewable energy across the nine countries involved.

### **Energy reform support programme in Azerbaijan**

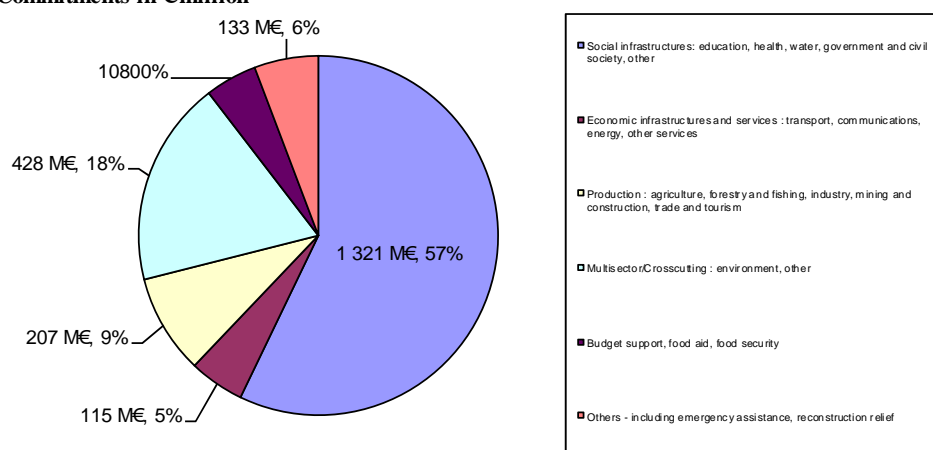
Energy is one of the main priorities in the EU-Azerbaijan cooperation. The EU supports Azerbaijan in developing its Energy Sector Strategy, focusing on alternative and renewable energy sources and energy efficiency technologies. This includes developing the required legislative framework and institutional setting. The EU-supported Energy Reform Support Programme has led to the creation of a new institution, the State Agency of Alternative and Renewable Energy Sources. Through this agency the government endorses the importance of renewable energy and energy efficiency.

### **Reducing Moldova's energy import dependence**

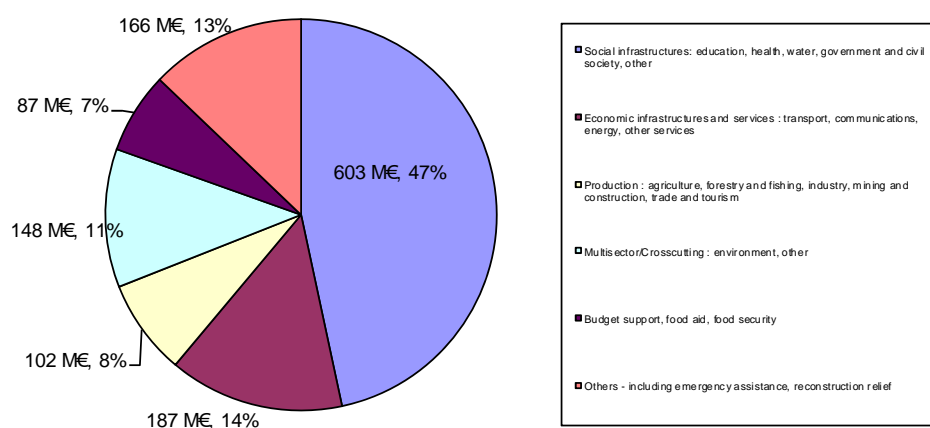
A kindergarten in Ermoclia village in Moldova is the first public institution to be heated with energy from biomass thanks to a successful energy and biomass pilot project promoting the use of renewable energy in rural communities. The project, which will be replicated throughout Moldova - including the breakaway Transnistria region - aims to reduce the country's dependence on imported energy sources by helping it to fulfil its potential to produce energy from its own prodigious renewable sources. It aims to increase awareness of renewable energies, promote energy efficiency and improve heating systems in public buildings by using waste from local agricultural enterprises.

The Republic of Moldova is one of the few countries in the region which depends almost entirely on imported energy sources leading to high energy prices and large debts to foreign suppliers. The extension of the project to Transnistria may help reduce the region's dependency on energy supplies from Russia and also contribute to sectoral confidence building due to exchanges of expertise.

**Table 6 ENPI - Breakdown by sector of external aid financed on the general EU budget managed by EuropeAid in 2012**  
**Commitments in €million**



**Disbursements in €million**



Bilateral and multilateral ODA (EuropeAid only).

**Table 7 ENPI - External aid financed on the general EU budget managed by EuropeAid**

€millions	2008	2009	2010	2011	2012
<b>Commitments</b>	1 773	1 637	1 807	2 015	2 353
<b>Disbursements</b>	1 530	1 474	1 513	1 426	1 398

Bilateral and multilateral flows (EuropeAid only).

**Table 8 ENPI - General and sector budget support per country**

Commitments in € million

Country	GBS / SBS	Sector	Description	Total
Algeria	SBS	Environmental policy and administrative management	Appuyer la politique de l'environnement en Algérie en focalisant sur laire métropolitaine algéroise et sur 3 axes d'intervention: la	34.00
Armenia	SBS	Legal and judicial development	Additional conditions based on the "more for more" principle to the Support to the Justice Reform in Armenia, Phase II Budget Support	9.00
Armenia	SBS	Legal and judicial development	The specific objective is to contribute to the development of a more independent, transparent and efficient judicial system and stronger	20.00
Armenia	SBS	Trade policy and administrative management	The overall objective is to foster inclusive economic development of Armenia through enhanced trade relations between Armenia and	25.00
Armenia	SBS	Vocational training	Armenia - Continue to provide support to SDP of Government of Armenia through increasing the quality of VET sector in order to make it more	6.00
Egypt	SBS	Energy policy and administrative management	In line with the Country Strategy Paper 2007-2013 and the National Indicative Programme 2011-2013 and deriving from specific actions of	30.00
Egypt	SBS	Public sector policy and administrative management	Supporting the Egyptian Governance Reform Programme which Aims at Improving Transparency and Access to Information,	90.00
Georgia	SBS	Agricultural development	The SPSP, (which will be implemented in Georgia, country-wide) will focus on 4 main results: Strengthened co-operation amongst	40.00
Jordan	GBS	General budget support	Good Governance and Development Contract Jordan for the use of SPRING 2012 second tranche funds	40.00
Jordan	SBS	Education policy and administrative management	The specific objective of this programme is to provide support to the second phase of the education sector reform.	10.00
Jordan	SBS	Legal and judicial development	Enhancement of the rule of law by upholding democratic principles, in particular the principle of separation of powers.	30.00
Moldova	SBS	Basic health care	Moldova / Top-up of SPSP Health (2008/019655) with EUR 6.0 million and its extension with 12 months	6.00
Moldova	SBS	Legal and judicial development	The general objective of this SPSP is to improve the system of administration of justice, consolidate the rule of law and strengthen	52.00
Moldova	SBS	Public sector policy and administrative management	Moldova / Top-up of the under preparation SPSP Justice Sector Reforms (2012/023-420) with EUR 8.0 million	8.00
Moldova	SBS	Small and medium-sized enterprises (SME) development	Moldova / Scale-up of ongoing SPSP Economic Stimulation in Rural Area (decision 2010/21782 / budget support contract 2010/258-486) with EUR	14.00
Morocco	SBS	Agricultural policy and administrative management	L'objectif de ce programme est de contribuer, à titre de SPRING 2012, à la mise en uvre de la stratégie du Conseil Agricole qui s'inscrit dans	10.14
Morocco	SBS	Basic life skills for youth and adults	L'objectif de ce programme est de contribuer, à titre de SPRING 2012, à la mise en uvre de la stratégie nationale d'alphabétisation au Maroc	25.00
Morocco	SBS	Employment policy and administrative management	L'objectif de ce programme est de contribuer, à titre de SPRING 2012, à l'appui des reformes engagées par le Gouvernement dans la lutte	30.00
Morocco	SBS	Forestry policy and administrative management	Soutien à la politique forestière et notamment aux objectifs stratégiques du plan décennal en vue du renforcement de l'efficacité de la stratégie	37.00
Morocco	SBS	Health policy and administrative management	Le programme est axé principalement sur la réforme institutionnelle du Ministère de la Santé et un appui à l'extension de la régionalisation et	2.00
Morocco	SBS	Public sector policy and administrative management	Le programme vise à contribuer à l'objectif général d'amélioration de la qualité des services publics, par la réforme des méthodes de gestion	75.00
Morocco	SBS	Social/ welfare services	Appui à la mise en oeuvre de la phase II de l'INDH (2011-2015), ciblé sur les interventions de lutte contre la pauvreté dans les 885 communes	25.00
Tunisia	GBS	General budget support	L'objectif du PAR 2 est d'appuyer la formulation et la mise en uvre du programme économique et social du gouvernement tunisien dans le cadre	68.00
Ukraine	SBS	Energy policy and administrative management	New SPSP in the energy sector is to support the continuing implementation of the sector strategy, including the deepening of reforms in	45.00
<b>Grand Total</b>				<b>731.14</b>



## 2.1.2. Middle East

### Introduction

#### The Middle East peace process

The EU stepped up its efforts to advance the Middle East peace process in 2012, continuing to lend full support to the HR/VP to re-launch direct talks between the parties, as well as supporting Jordan, in particular, at the beginning of the year to secure this objective. The HR/VP visited the region numerous times during 2012 and remained in close contact with stakeholders. The EU continued to encourage both the Israelis and Palestinians to return to the negotiating table. However, the Palestinians maintained that they would re-enter negotiations only if Israeli settlement construction, including in East Jerusalem, was frozen. Israel did not comply with this demand. In the Foreign Affairs Council (FAC) conclusions of May and December 2012 the EU reaffirmed its commitment to a two-state solution while expressing grave concern about developments on the ground, which threaten to make this impossible to attain.

There was no tangible progress in the implementation of the 2011 reconciliation agreement between Fatah and Hamas, which should have led to the holding of general elections. Direct EU financial support to the Palestinian Authority contributed to its ongoing state-building efforts, although the effect of this was undermined both by a shortfall in funding from donors in the region and Israeli action concerning Palestinian tax revenues (see below).

In November, a major escalation of violence took place between armed groups in Gaza and Israel, leading to the death of an estimated 158 Palestinians and six Israelis. The HR/VP was active in pursuing a ceasefire as a stepping stone to a longer-term solution to Gaza's isolation. Throughout the violence she maintained close contact with key players in the region and beyond - particularly with Egypt, the US, Israel, the Palestinian Authority, the UN and the Arab League. The EU expressed its readiness to make use of its instruments to support efforts to sustain the ceasefire which came into effect on 21 November. This included the possible reactivation, in the appropriate way, of the European Union Border Assistance Mission (EUBAM Rafah).

On 29 November the UN General Assembly voted in favour of Resolution A/RES/67/19 granting United Nations non-member observer state status to Palestine. In response, Israel stopped transferring the clearance revenues it collects on behalf of the Palestinian Authority and accelerated settlement activities beyond the Green Line by depositing 3 426 housing units for approval in the E-1 area as well as approving major construction plans in the settlements of Ramat Shlomo, Givat Hamatos and Gilo. This was widely criticised by the international community, including the EU. In December, the Council adopted conclusions expressing strong opposition to Israeli plans for new settlement construction, stating that the EU would closely monitor the situation and its broader implications, and act accordingly.

#### Arabian Peninsula, Iran, Iraq and Yemen

Political development, reconciliation and reform in **Iraq** remained challenging in 2012. The national partnership government, formed after nine months of difficult negotiations following the 2010 general election, has struggled to function effectively and a general agreement on governance between the major political actors was not fully implemented in 2011. The political situation worsened during 2012.

EU-Iraq relations have however improved with the signature of the Partnership and Cooperation Agreement in May 2012, which underlined EU commitment to a comprehensive political and economic engagement with Iraq. The agreement provides for regular political dialogue on bilateral, regional and global issues while improving trade arrangements and pledging cooperation in diverse areas. Most parts of the agreement took effect on 1 August 2012 (provisional application).

The EU is working on a gradual strengthening of the bilateral relationship and continuing its bilateral support in technical capacity and capacity building as well as transferring expertise. With the adoption of the first ever multiannual Country Strategy Paper (CSP) for assistance to Iraq (EUR 58.7 million 2011-13) in November 2010, the EU shifted its support from emergency reconstruction activities towards regular development cooperation and long-term capacity-building. EU assistance in the medium-term is concentrated on the sustainability of Iraq's institutions, the improvement of management and civil service capacity along with boosting the provision and quality of basic services (health, education, water and sanitation). The EU continues to assist the Iraqi government in its efforts to unlock and invest in its own substantial resources, by providing assistance in the areas of good governance and democratisation and promotion of human rights

In parallel, the EU's financial instrument for cooperation with industrialised and other high income countries and territories (ICI+) provides an new approach to promoting political and economic interests and goes some way to developing a mutually beneficial partnership with Iraq. A specific initiative has been designed to support the establishment of an EU-Iraq Energy Centre that will further promote energy cooperation.

**Yemen** saw serious unrest in 2011. The EU cooperated closely with the Gulf Cooperation Council (GCC), which brokered an agreement on political transition. The October 2011 UNSC resolution n° 2014 – unanimously adopted - led to then-President Saleh formally signing the GCC initiative for a transfer of power, while the ruling party and the opposition coalition signed the implementation mechanism in November 2011.

In accordance with the GCC agreement, elections took place on 21 February 2012 with vice president Hadi, the consensual candidate, elected with 99 % of the votes cast. The elections triggered the second, two-year phase of the transition during which a conference for national dialogue will be held in order to draft a new and fully democratic constitution. The preparations for the National Dialogue Conference (NDC) are at an advanced stage but the launch - originally foreseen for September 2012 - did not take place.

A major stumbling block remains the division of NDC seats between the former governing (GPC) and opposition (JMP) parties and the inclusion of groups not involved in the GCC agreement, notably the Southern Movement and the independent youth, women and CSOs.

"G10", an informal group composed of EU Heads of Delegations, the P5 Ambassadors and the Ambassadors of the Gulf States present in Sana'a, is closely monitoring the GCC initiative and its implementation mechanism.

Progress is further threatened by a fragile security situation, the continued strong presence of Al Qaeda (although the situation improved considerably in 2012) and the "spoilers" attempts to derail the transition process.

Cooperation under the DCI has increased with an additional EUR 10 million allocation for the 2012-13 period. In 2012 state building and social welfare programmes amounting to EUR 25 million were initiated.

The humanitarian situation in Yemen remains of great concern; food insecurity is a daily reality for nearly half the population and a major threat to the physical and mental development of the young. This problem can only be addressed through a concerted international effort. The Commission therefore released EUR 40 million in 2012 to assist addressing the country's needs.

EU cooperation activities in **Iran** are limited to non-sensitive areas such as anti-narcotics and assisting Afghan refugees through support for non-state actors. In line with the EU's dual track approach, efforts to engage with Iran in meaningful negotiations on its nuclear programme continue.

### **Aid effectiveness and donor coordination**

Donor coordination advanced at the donor conference on **Yemen** in Riyadh in September 2012 where USD 7.8 billion worth of pledges for the country's development was set aside.

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**

Most MDG indicators have worsened in the aftermath of the 2011 crisis in **Yemen**: poverty and food insecurity have affected half the population and many children remain out of school. The EU addresses these challenges by improving social services in social protection and health, and by launching economic development programmes, primarily targeting youth, the unemployed and women.

**Iraq** faces considerable challenges in its efforts to meet the 2015 MDGs, particularly in primary school enrolment rates (at 85 %), maternal mortality (84 per 100,000 live births) and access to improved water sources (presently 57 % in rural areas) The EU is addressing these challenges by improving health and water management services as well as targeting the unemployed through improved education services.

### **Implementation and results**

Governance ranked highest in the EU's cooperation priorities for Yemen in 2012. The Commission adopted an EUR 18 million package to address democracy and governance which includes the holding of credible elections in 2014. The EU will support these elections by strengthening the capacities of the Supreme Commission for Elections and Referenda, aiding the development of a new voter register and promoting increased participation of women in the election process. The programme will also help the Yemeni authorities to

further develop a civil register so as to address human rights violations made possible by the absence of key documents such as birth certificates. To this end, in 2012 the EU worked with UNICEF to increase the number of registered births, as part of its wider child protection programme.

The EU and the Iraqi government signed a financing agreement to implement the 2011 water management programme. The 2012 Good Governance project was also approved. In addition, the first ever ICI+ programme for Iraq to establish an EU-Iraq energy centre was approved by the Commission in December 2012.

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. The current EUR 4.8 million portfolio of twelve projects includes thematic programmes in the fields of democracy and human rights (EIDHR) and non-state actors (DCI-NSA) aimed at promoting the empowerment of vulnerable people, and supporting community-based initiatives.

## **Outlook**

As in other Arab countries, the Arab Spring movement in **Yemen** opened a window of opportunity that has helped to put the country back on the path of genuine development granting greater opportunities for political participation from all parts of society and better resource distribution.

**Iraq's** achievements in terms of governance, democracy and the rule of law remain fragile and must be consolidated, EU support, therefore, remains crucial in these areas. The country has significant oil/gas revenues which currently contribute only marginally to inclusive economic growth; institutional capacities also need to be strengthened.

In view of the events of the Arab Spring and the forthcoming presidential election in 2013 in **Iran**, it will be interesting to see whether Iranian civil society is able to steer the authorities towards more political freedom, fewer human rights violations and fewer barriers to foreign cooperation.

### **Supporting a new national development plan in Iraq**

Alignment to the country's national development strategy is one of the principles of the Paris Declaration and the EU has taken significant action to bring this about by helping the Government of Iraq prepare its new 2013-17 National Development Plan (yet to be finalised). The EU's early involvement in this process in the form of technical assistance has significantly improved the chapter on draft governance both in terms of quality and substance.

## **2.2. Sub-Saharan Africa & all ACP programmes**

### **Introduction**

The EU has launched several initiatives to enhance the coherence and effectiveness of its multi-faceted engagement with the Sahel region, Sudan and South Sudan and the Horn of Africa (HoA).

During 2012, the EU Strategy for Security and Development in the Sahel - one of the poorest regions of the world - started to be implemented in Mali, Mauritania and Niger along four main axes: development; good governance and internal conflict resolution; political and diplomatic cooperation; ensuring security and the rule of law and countering violent extremism. By the end of 2012 some EUR 15 million have been mobilised to help face security challenges and build the rule of law in Niger. Additional resources will be mobilised in 2013 for the Sahel region, in coherence with existing EDF development actions. However, practically all actions in the north of Mali had to be suspended following the army coup in March and the subsequent terrorist takeover. The CSDP 'EUCAP Sahel' mission (designed to strengthen security coordination and planning) was successfully established in Niger, with liaison officers in Bamako and Nouakchott helping to prepare possible extensions to Mali and Mauritania. The regional Sahel Counterterrorist programme 'CT Sahel' was also extended and strengthened.

The Electoral Commission's adoption of a timetable for parliamentary elections in May 2013 has allowed the EU to sign the 10th EDF with the Republic of Guinea and to start implementing urgent programmes in direct support to the population in the areas of water, health and support to civil society. 80 % of the 10th EDF funding will, however, remain in reserve until free and transparent elections have actually been held. The EU has also unblocked funds in support of the elections in order to safeguard the electoral process and contribute to a peaceful political climate.

Nine months after the independence of South Sudan, Sudan and South Sudan found themselves on the brink of war, when South Sudanese forces captured the oil rich Northern area of Heglig in April 2012. A Roadmap adopted by the AU Peace and Security Council, re-enforced by UNSC Resolution 2046, eased tensions and facilitated the resumption of negotiations under the auspices of the African Union's High Level Implementation Panel (AUHIP), led by former President Mbeki. These culminated in the signing of a package of agreements by the two presidents in Addis Ababa in September. However, implementation has not gone well and the outstanding issues of Abyei and borders still pose a serious risk to the agreements. South Sudan's unilateral stopping of oil production in January has left both countries in acute economic crisis. The EU, notably through the EU Special Representative for Sudan, has actively contributed to mediation efforts by the AU and followed with concern the slow pace of implementation of the agreements signed. The security situation and resulting humanitarian crises in the provinces of Blue Nile, Southern Kordofan, Abyei and Darfur remain a particular focus.

In the year since the Strategic Framework for the HoA was adopted, the EU's political engagement with the region has intensified. The EU Special Representative for the HoA has travelled extensively to address the challenges addressed in the Strategic Framework, now the reference document for EU action in the region. It continues to provide a holistic approach to the EU's multi-faceted engagement in the region with a view to supporting the people of the Horn to achieve greater peace, stability, security and prosperity under an accountable government.

The launch of the Horn of Africa Strategic Framework was welcomed by the African Union (AU) as well as the Intergovernmental Authority on Development (IGAD), which has a specific HoA mandate. The EU-IGAD political dialogue in April 2012 was particularly timely in giving a clear political endorsement. The comprehensive nature of the Framework - covering peace and security, drought resilience, counter piracy and terrorism, and infrastructure and energy - was welcomed.

Giving further support to governance, the EU deployed electoral observation missions (EOMs) to Sierra Leone and Senegal and expert missions to Ghana, Burkina Faso and Cote d'Ivoire. The EU is actively following-up the recommendations of the EOMs.

### **Africa-EU partnership**

The Africa-EU relationship reached new levels in 2007 with the adoption of the Joint Africa-EU Strategy (JAES) which put in place a framework for enhanced cooperation with Africa as a continent. The Africa-EU Summit in November 2010 approved the second JAES action plan for 2011-13, confirming the joint commitment to deliver, in eight thematic partnerships: peace and security; democratic governance and human rights; trade, regional integration and infrastructure; MDGs; energy; climate change and the environment; migration, mobility and employment; science, information society and space.

Under the African Peace Facility (APF), the EU renewed its support to the African Peace and Security Architecture (APSA) and Peace Support Operations. Specific initiatives funded included: the AU Mission in Somalia (AMISOM); the Economic Community of Central African States (ECCAS) Mission for Consolidating Peace in the Central African Republic (MICOPAX) and the Mission of the Community of West African States to Mali (MICEMA). Support has also been provided to the AU to coordinate action against the Lord's Resistance Army.

Through the Early Response Mechanism (ERM), the EU supported mediation efforts in the "Roadmap for Ending the Crisis in Madagascar" and the initiative of the Intergovernmental Authority on Development (IGAD) to engage in a pre-election peace campaign in Kenya.

The Political and Security Committee of the European Union (EUPSC) and the Peace and Security Council of the African Union (AUPSC) held their 5<sup>th</sup> joint consultative meeting in May at a time characterised by continued challenges in the Horn of Africa and political, security and humanitarian crisis in parts of West Africa. The discussions, which focused on Somalia, Sudan and South Sudan, Guinea Bissau and Mali, reaffirmed the commitment of both sides to enhance their efforts towards crisis prevention and resolution. They reiterated their commitment to increase coordination on global issues, to continue APSA cooperation and recognised the need for predictable, flexible and sustainable funding for AU-led peacekeeping operations.

The AU-EU Human Rights Dialogue continued to have an important role. The last Dialogue focused on AU-EU cooperation on racism; the right to development; the death penalty; migrants' rights and measures to implement the UN Guiding Principles on Business and Human Rights. The Dialogue also identified violence against women and freedom of association as future themes.

In the framework of the Africa-EU Governance and Human Rights partnership, the AU and EU Delegations in Geneva jointly organised a Workshop on racism, with a particular focus on racial discrimination and incitement to racial hatred. The meeting was a first step towards strengthening cooperation in the Human Rights Council and also identified as topics for future discussion: women's and children's rights; universal periodic review, economic; social and cultural rights; freedom of religion or belief; freedom of assembly and freedom of expression.

### **Aid effectiveness and donor coordination**

Efforts to strengthen aid effectiveness in Sub-Saharan Africa continue. In this connection, the first meeting of the steering committee of the Busan Global Partnership was an important development policy event this year.

In Sub-Saharan Africa, some countries are gradually moving through a country-led process towards a more coherent programming exercise. This is demonstrated by EU joint programming in, for example, Ethiopia, Ghana and South Sudan. Other examples of good donor coordination include Mozambique and Burundi.

### **Aid effectiveness and donor coordination in Mozambique**

Budget support to Mozambique<sup>52</sup> is well structured and coordinated through a group of donors who provide general budget support. The G-19 is aligned to Mozambique's 2011-14 poverty reduction strategy. It delivers assistance on the basis of a Memorandum of Understanding signed with the government that stipulates an enhanced political dialogue on human rights, the rule of law, good governance, poverty reduction, sound macro-economic policies and public financial management systems. The Memorandum also includes a joint response mechanism in case of a breach of these principles. These arrangements enabled a predictable flow of funds to the Government of Mozambique in both 2011 and 2012.<sup>53</sup>

### **Aid effectiveness and donor coordination in Ethiopia**

In **Ethiopia**, the EU is deeply involved in the implementation of the aid effectiveness agenda through donor coordination and joint actions. In 2012, the EU coordinated the update of the EU+ Joint Cooperation Strategy, which forms the joint response by the EU and its Member States (plus Norway) to Ethiopia's national development strategy. The EU is also an active member of the Donor Assistance Group (DAG), which consists of 26 donor agencies. The EU participated in 16 thematic/sector donor groups and co-chaired five. More than 80 % of 10<sup>th</sup> EDF funds are channelled through joint programmes.

### **Aid effectiveness and donor coordination in South Sudan**

The EU pioneered joint programming in **South Sudan** and for the first time a Joint Country Strategy was agreed with Member States in support of the National Development Plan. The EU focused on agriculture, health, education and the rule of law. The Joint Strategy was welcomed by the EU FAC.

### **Aid effectiveness and donor coordination in Burundi**

Under the 10th EDF, the EU started joint programming with Member States in Burundi. This involved a joint analysis of the Poverty Reduction Strategy Paper and of the sectoral policies of the country, leading to a jointly designed EU aid and sector interventions. This joint approach will increase aid effectiveness and concentration, as the EU and the Member States

---

<sup>52</sup> Budget support is the preferred aid modality of the government of Mozambique. Both general and sectoral support account for nearly 70 % of the EDF cooperation programme.

<sup>53</sup> The G-19 now has 21 members. The 19 original donors are: the EU and 12 EU Member States (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, the Netherlands, Portugal, Spain, Sweden, the United Kingdom); the African Development Bank (AfDB); Canada; Norway; Switzerland and the World Bank. In 2010 the USA and the United Nations joined the group. The International Monetary Fund (IMF), Japan and the US have observer status. At present G-19 commitments for GBS total around USD 400 million.

each focus on a limited number of sectors with leadership being agreed for each of the EU-supported sectors.

### **Aid effectiveness and donor coordination in Ghana**

In Ghana the EU and seven Member States established a Joint Framework Document in response to the "Government of Ghana: Development Partners' Compact", which confirms Ghana's current development agenda and sets out the issues to be solved together with the government of Ghana and development partners. In line with the EU Joint Framework document, full joint programming is expected to start from 2017.

### **Working towards the MDGs**

Despite good prospects to achieve universal primary education by 2015, Sub-Saharan Africa is still off-track and unlikely to achieve key MDG targets on time. To date, 47 % of the population is struck by extreme income poverty. Child mortality (deaths of children under age of five per 1 000 live births) has fallen by more than one-third between 1990 and 2010. However, progress is still too slow to reach the envisaged two-thirds reduction. Maternal mortality (maternal deaths per 100 000 live births) has nearly halved since 1990 with a decline of 47 % but 85 % of deaths still occur in Sub-Saharan Africa and Southern Asia. Of course, progress and results vary greatly on country-by-country basis. The following examples highlight the impact of development projects supported by the EU in contributing to boost progress towards achieving the MDGs in Ethiopia, Rwanda and Zimbabwe.

#### **Progress towards MDGs in Ethiopia**

In recent years, **Ethiopia** has made good progress towards most of the MDG targets. Primary school enrolment rose from 68.5 % in 2005 to 85 % in 2011, while in the same period the under-five mortality rate declined from 123 to 88 per thousand live births and access to potable water increased from 52 % to almost 80 %. This has had a notable impact on the economy as a whole, as well as on social and development indicators. The multi-donor programme 'Promoting Basic Services (PBS)' has contributed significantly to this positive trend. It allowed the hiring of more than 100 000 additional primary school teachers, 38 000 additional health extension workers and the operation of 11 000 new health posts and 2 100 health centres. As an important donor to the PBS programme, the EU disbursed EUR 40.6 million in 2012. With the recruitment of additional school teachers, students will be able to study in better conditions and the quality of primary education will increase, thereby increasing their success rates as well as their chances of completing primary education. A similar situation is observed in the health sector as a result of recruiting additional staff: patients receive better treatment and the quality of health services improves. As a result, the chances of reaching the health MDGs are increasing significantly.

#### **Working towards the MDGs - Rwanda**

Rwanda is one of the rare African countries that are expected to reach the MDG targets by 2015. EU support to the government of Rwanda aims at building a social protection system that tackles poverty and inequality, helps reduce vulnerability and contributes to economic growth. The EU has also been providing SBS for decentralised agriculture impacting *inter alia* on food security. In 2011 production targets of key food security crops were exceeded by 69 %. Overall, the successful implementation of these programmes has contributed to the



reduction of Rwanda's poverty rate from 57 % to 45 % in the last five years. Extreme poverty also dropped from 35.8 % in 2006 to 24.1 % in 2011. Furthermore, Rwanda has already attained and exceeded the 14.5 % UN target on the prevalence of underweight children of less than five with a score of 11 %. By supporting food security with special focus on children and mothers, EU support is expected to have a positive effect on health and development indicators. This assistance will therefore have a long-term impact on the health status of the Rwandan population as a whole.

### **From regress to progress towards MDGs in Zimbabwe**

Recognising the urgent need to reverse the decline on Zimbabwe's progress towards the MDGs, the EU and certain Member States started funding innovative aid delivery mechanisms administered by UNICEF which pooled together donor resources in support of the priority goals defined by the Government of National Unity. By channelling funds through UNICEF rather than the government, the Transition Funds allowed EU development partners - which had suspended official development cooperation - to provide direct support to the population in close collaboration with the government.

To date, the Education Transition Fund has distributed more than 20 million textbooks to all primary and secondary schools in Zimbabwe, thus bringing the pupil/textbook ratio to 1:1, the best in Sub-Saharan Africa. The Health Transition Fund also distributes essential medicines to all primary health care facilities in rural areas of Zimbabwe. It has succeeded in keeping the availability of essential medicines above 80 %. Retention allowances paid to doctors have brought vacancy rates in rural areas to less than 30 %, down from 70 % in 2011. Monthly allocations for operational costs that have started to be delivered to rural clinics and district hospitals will result in lower costs to users.

### **MDG initiative for Africa**

The 10<sup>th</sup> EDF Mid-Term Review (MTR) of the ACP country strategies and programmes showed that, while the overall picture has many differences, most ACP countries are still lagging behind their MDG schedule. Launched in 2010 at the MDG Summit in New York, the EUR 1 billion MDG Initiative aims to foster faster progress. It provides funding for the most off-track goals as well as performance-based funding benefiting countries that have successfully implemented aid.

#### **Togo: supplying water to neglected areas**

A EUR 16.7 million budget has been allocated to the water and sanitation sector by the EU's MDG initiative in Togo's Maritime region in the south - where almost half of the population lives and 90 % of economic activity is concentrated. Only 13 % of people in this area have access to drinking water drawn at traditional water points or pumps. By 2016, 467 water points and 6 000 latrines will be built or rehabilitated, while 8 500 public workers and stakeholders will receive training. Two projects, organised jointly with UNICEF and the German Red Cross, aim to supply drinking water and sanitary installations to 140 rural communities in the region as well as providing training in hygiene to families, focusing particularly on children.

#### **Puntland (Somalia): better use of land to reduce hunger and food insecurity**

In Somalia, 20 years of war and the absence of institutions have led to severe land degradation. For livestock, which is the main pillar of the Somali economy, there is less and less vegetation and access to food is a major problem for the population. Malnutrition affects up to 20 % of the population in some areas of Puntland in times of crisis. The MDG Initiative has therefore selected a project that supports farmers who move their camels, cattle, sheep and goats through the rangelands. It aims to raise 1.5 million people that earn less than a dollar per day above the poverty line. The programme will support leaders and elders to better manage the natural resources on which their communities depend. Among other things, they will be given funds to rehabilitate and improve areas of pasture, carry out water harvesting and protect water points. Other activities may include the reforestation of grazing lands or the construction of small dams to avoid erosion, as well as the rehabilitation of existing water ponds.

## **Implementation & results**

### **General overview**

Results were good in 2012. Several Sub-Saharan African countries exceeded their annual targets due to better than expected implementation of projects and programmes. The most notable example was the disbursement of a EUR 40 million budget support tranche to Malawi in December 2012 after positive developments in the country.

There was significant progression towards the MDGs through direct EU cooperation with African partners (see section 2 of this chapter) and through EU participation in global initiatives such as the Global Fund against AIDS, Tuberculosis and Malaria and the GAVI Alliance.

### **Building resilience: AGIR and SHARE**

#### **AGIR**

Food crises and under-nutrition are a chronic challenge in the Sahel region, and building long-term resilience and pursuing disaster risk reduction, particularly at community level, is key to avoiding the frequent recurrence of severe food crises in the Sahel. To sustainably improve the resilience of the most vulnerable populations, the Commission invited representatives of the countries of the Sahel, regional organisations, multilateral development and humanitarian aid agencies, NGOs, donor governments and members of the European Parliament to a high level conference on 18 June 2012. This resulted in an agreement to launch a partnership for resilience through a multi-stakeholder initiative (AGIR–Sahel/Alliance globale pour l'initiative Résilience - Sahel).

The declaration was signed by representatives of over 30 countries, UN and humanitarian agencies, and organisations including the World Bank, the African Development Bank, the Organisation of Islamic Cooperation, ECOWAS and the West African Economic and Monetary Union (UEMOA). It provides a roadmap for increasing the resilience of victims of chronic malnutrition in the region. As well as a potential investment of EUR 750 million over three years to build seasonal safety nets, consensus was also found on: the need to invest in healthcare and other social sectors; the functioning of food markets; the empowering of women including those working in agriculture.

#### **SHARE**

In conjunction with heightened insecurity in south-central Somalia, the 2011 drought in the HoA precipitated a crisis situation. A number of factors underlie people's vulnerability in the HoA: population growth and increasing pressure on resources; rural poverty; low productivity and weakened terms-of-trade; insecure access to land and water; weak governance; insecurity and prolonged geo-political instability. The EU reacted with massive humanitarian assistance to the HoA allowing for life-saving support. At the same time, the Commission launched the Supporting HoA Resilience (SHARE) initiative to encourage investment in the areas of recovery and resilience.

Plans valued at over EUR 250 million were formed to step-up EU engagement in 2012-13. These included: support for agricultural and livestock production; nutrition; livestock health; water supply as well as natural resource management. In the SHARE framework, the Commission argues that a greater relative emphasis should be placed on the lowlands of the Horn - largely coinciding with the areas where (agro-) pastoralism is dominant. The SHARE approach was formalised in a Staff Working Document and the Council Conclusions in May 2012, which were followed by the mobilisation of recovery assistance for those countries' most affected by the drought in the HoA.

Major African programmes, policies and initiatives were also supported, with the involvement of several Directorates General of the Commission. The agriculture sector benefited from the support of the Comprehensive Africa Agriculture Development Programme (CAADP). In the area of climate change, support targeted policy-making at pan-African level as well as programmes such as the Great Green Wall for the Sahara and Sahel Initiative aimed at fighting desertification and land degradation. The African Union Programme for Infrastructure for Development in Africa (PIDA) obtained support for the coordination and implementation of infrastructures of strategic importance for the continent through the African Infrastructure Trust Fund, enabling the blending of grants and loans, and active involvement of the private sector. EU-Africa cooperation also focused on tackling the technical barriers to trade and supporting the progressive realisation of the Continental Free Trade Area (CFTA). Moreover, there was EU support for African research through grants managed by the African Union Commission while the Nyerere programme facilitated the exchange of students among African countries.

A high-level Conference on the second European and Developing Countries Clinical Trials Partnership (EDCTP) programme<sup>54</sup> took place at which the Commission proposed an increase in its funding from EUR 200 million up to EUR 1 billion for the second phase of the programme (2014-2024). EDCTP involves the development and testing of new medicines against HIV/AIDS, malaria and tuberculosis.

The first initiative of European and African countries to jointly fund collaborative research projects was agreed in the framework of the FP7 international cooperation action ERANET (ERAfrica)<sup>55</sup>. The joint call will be launched in January 2013 with a budget of €1 million and offers research funding in the areas of 'renewable energy', 'interfacing challenges' and 'idea driven research'. The initiative concerns cooperation and joint funding by ministries and public institutions from 15 countries.

The African Higher Education Harmonisation and Tuning initiative launched in the framework of the Joint Africa-EU Strategy is particularly successful. The sixty universities

---

<sup>54</sup> <http://www.edctp.org/>

<sup>55</sup> [ftp://ftp.cordis.europa.eu/pub/fp7/docs/wp/capacities/inco/u-wp-201301\\_en.pdf](ftp://ftp.cordis.europa.eu/pub/fp7/docs/wp/capacities/inco/u-wp-201301_en.pdf)

selected from across the continent in November 2011 are completing work and, as a result of the initiative's success at the grassroots and political levels, follow-up activities are planned in 2013 and 2014.

Despite the strong competition from all over the world, African students are performing well in their pursuit of Erasmus Mundus scholarships and there have been important cooperation activities with institutions from the two continents. African researchers are also active in the Marie Curie programme. There was an increase in applications for both Erasmus Mundus and the Intra-ACP Academic Mobility programme in 2012.

### **Connecting research communities across sub-Saharan Africa**

The low internet penetration in Sub-Saharan Africa is one of the main reasons for the lack of skilled technical, operational and managerial staff. As a result, research activities and cooperation with researchers in other parts of the world are restricted. The AfricaConnect project, a collaboration between 20 partners, aims to establish a high-capacity Internet network for research and education in Southern and Eastern Africa, to provide the region with a gateway to global research collaboration. The project runs from 2011-2015 with an EU contribution of EUR 11.8 million (80% of the total).

In order to facilitate the implementation of the JAES and its successive Action Plans, a new support mechanism was established in 2012. This mechanism provides technical and administrative support for JAES implementation in the run-up to the Fourth Africa-EU Summit in early 2014 and prepare the ground for the future Pan African Programme.

In 2012, the total commitments from the EDF amounted to EUR 3.7 billion - EUR 344 million above the annual target of 3.4 billion. In Sub-Saharan Africa, the target of EUR 2.8 billion was exceeded by 18 %, as EUR 3.3 billion was committed. The main reason why commitments were higher than expected is that the EU support to the "Sustainable Energy for All" (SE4ALL) initiative was approved for EUR 400 million. This programme was not included in the annual forecast due to uncertainty as to whether it would be approved by Member States in the Council. The programme is financed entirely from the four Sub-Saharan Regional Indicative Programmes (RIPs) and covers: Central Africa (EUR 33 million); Eastern and Southern Africa (EUR 193.5 million); Southern Africa (EUR 32 million) and Western Africa (EUR 141.5 million).

The target for Sub-Saharan Africa (under the EDF) was set at EUR 2.5 billion whereas actual disbursements amounted to EUR 2.86 billion, exceeding the target by 14 %. This was mainly due to a EUR 150 million payment under the EU Support to the SE4ALL initiative which was not included in the annual target.

The first commitments under the Banana Accompanying Measures were made in 2012; three Sub-Saharan African countries are affected by this 2012-13 programme: Cameroon (EUR 41 million), Ghana (EUR 7.2 million) and Ivory Coast (EUR 38 million). Ghana has consumed its full indicative allocation, while Cameroon and Ivory Coast each has another EUR 7 million available for commitment in 2013.

### **Bilateral cooperation: the case of Chad**

In 2012, EU bilateral programmes with Central African countries continued to focus on good governance and sustainable development. In Chad, 2012 saw the inauguration of the courthouse in Goz Beida, the central service for the technical police and a detention centre in Doba, significantly improving prisoners' living conditions. These are results of the EUR 25 million EU programme for the justice sector. There was also progress with the revision of the penal code. Through a EUR 25 million programme, the EU continued to support security sector reform and contributed to the D tachment Int gr  de S curit  (DIS) which provides security in areas hosting refugees, displaced persons and humanitarian contingents in the east and south of Chad. Through its local development programmes (EUR 41 million), the EU supported food security and biodiversity through an integrated management of natural resources. In February 2012, the programmes were expanded to address the specific needs of returning Chadians following the Libya crisis. Moreover, in response to the food crisis, the EU approved a EUR 20 million programme for food insecure communities. Finally, the EU supported activities to improve access to water and sanitation (EUR 80 million). This long-standing EU assistance has contributed to increasing the access rate to drinkable water from 20.7 % of the population to 42.9 % in 2010. Through an additional EUR 29 million support from the MDG initiative, the country is on its way to reaching the MDG target of 60 % by 2015.

### **Bilateral cooperation: budget support in Niger**

The European Union is funding a SBS programme in Niger to strengthen food security as weather conditions in the Sahelian countries do not permit self-sufficiency. Data from the 2011 harvest reported a net cereal deficit of 191 000 tonnes for Niger for 2012. In autumn 2011, the National Mechanism for the Prevention and Management of Food Crises and Disasters (DNPGCCA) presented a support plan to respond to the anticipated food crisis and, in 2012, the European Union allocated EUR 42.5 million to Niger. This has contributed to mitigating the impact of the crisis on vulnerable groups by funding 13 % of general food insecurity operations and the purchase of 61 000 tonnes of crops. In addition, it enabled "cash for work" operations, food provision at moderate prices, as well as the transport of crops to vulnerable groups. As activities started early, a dramatic situation was avoided. The first phase of the operation supported 2.98 million people between November 2011 and April 2012. The second phase allowed access to food or financial support for more than 2 million vulnerable people between May and June 2012.

### **Support to the police forensic science laboratory in Ghana**

As part of a EUR 3 million EU project, the existing Ghana forensic science laboratory has been fully modernised and extended. New acquisitions and facilities include state-of-the-art equipment for DNA and chemical analysis, a photography laboratory, and software for document analysis and facial composition. More than 50 officers have received specialised training in modern forensics and the legal framework for investigations has also been revised. The Ghana Police Service and Ghanaian society will both benefit: it will give the Ghana Police Force an up-to-date facility where they can work in a way that respects people's fundamental rights.

### **Bilateral cooperation: budget support in Tanzania**

In Tanzania, the EU has an ongoing EUR 300 million general budget support programme (MDG Contract) which covers the period 2009-15. From this amount EUR 47.75 million was

disbursed to Tanzania in 2012. Disbursement was based on encouraging progress against key poverty reduction targets, in particular, in education and health. There were steady improvements in different health and education indicators, including: the proportion of districts in which at least 60 % of births take place in health facilities; the total number of patients enrolled in health institutes as well as exam pass rates of primary school pupils. In terms of governance and accountability, there was progress in the fight against corruption (e.g. through high level dialogue and the publication of a national survey). With regard to macro and public financial management, the alignment of the approved budget to policy priorities was positive.

### **Bilateral cooperation: the justice sector in Somalia**

The EU Rule of Law programme in **Somalia** aims at strengthening access to basic structures of justice through activities such as legal aid to vulnerable groups by financing scholarships for law students and training for judiciary staff. In 2012, over 150 members of the judiciary underwent judicial training in Somalia; legal aid was delivered via "legal clinics" to 3 000 people and over 300 law scholarships were granted. EU funding also supported "mobile courts" which give poor people in remote areas better access to the justice system.

### **Regional cooperation: West Africa**

In 2012, the EU and West Africa reviewed use of the 10<sup>th</sup> EDF envelope in order to improve the low commitment rate of the on-going Regional Indicative Programme. The Mid-Term Review concluded that the strategy adopted for the region was still relevant but that there was a need to strengthen the identification and formulation of projects. A pipeline of EUR 398 million was agreed as well as a EUR 141.5 million contribution to the SE4ALL initiative in West Africa. Lastly, EUR 26 million was transferred to the general reserve of the 10th EDF. The projects still to be formally adopted target food security, regional integration, private sector competitiveness, ECOWAS capacity building for peace and security as well as interconnectivity infrastructures.

### **Regional cooperation: Eastern and Southern Africa and Indian Ocean**

In 2012, the EU adopted eight new projects amounting to EUR 106 million in Eastern and Southern Africa and Indian Ocean regions. These projects aim at protecting natural resources in the Indian Ocean, improving food security in the HoA and strengthening road and energy infrastructure in Uganda and Tanzania. Another EUR 193.5 million was committed to energy access infrastructure in the region through the SE4ALL initiative.

### **Regional cooperation: Southern African Development Community**

Many years of intensive capacity-building have paid off. The secretariat of the Southern African Development Community (SADC) has put in place the necessary internal reforms which enable it to adhere to international standards on the management of funds, internal controls and audits. As a result, SADC is now able to implement EU projects using its own procedures, leading to increased ownership and efficiency. The EU has adopted six new projects amounting to EUR 56 million, out of EUR 116 million of the region's allocation for 2008-13. These target regional economic integration and continued capacity building for SADC to consolidate its recent progress.

### **Regional cooperation: Forest eco-systems in Central Africa**

The European Union is currently financing with EUR 30 million the conservation and valorisation of the "Forest Ecosystems in Central Africa" (ECOFAC) which aims to protect the exceptional biodiversity of wet forests while improving local incomes. This project focuses on the management of more than 200 000 km<sup>2</sup> of tropical ecosystems (including infrastructure and logistics) in order to safeguard them (both institutionally and physically). This cross-border programme has shown encouraging results in terms of the regional management of protected areas, which includes the training of technical and administrative entities in charge of the parks' management. Furthermore it benefits local populations. Twelve projects were initiated in 2012, including: training eco-forest rangers; protecting mangroves; enhancing natural heritage; developing forest management tools; maintaining logistical equipment; rehabilitating and constructing small infrastructure (such as clinics, schools and deposits) and reopening forest trails within the boundaries of national parks.

### **Improved healthcare record for the Democratic Republic of Congo**

Lessening child mortality, improving maternal health, decreasing mother-to-child HIV/AIDS transmission and preventing gender-based violence – all are aims of a new EU-funded EUR 40 million programme to help the country attain the MDGs. The EU has strongly supported the health sector in DRC since the 7<sup>th</sup> EDF (1990-1995); from humanitarian support to that of a structural nature to improve the administration of national and provincial healthcare systems. In 2012, a 50% reduction in the cost of healthcare was seen in DRC and an improvement in the quality of services for 3 million Congolese. The European Parliament also secured EUR 2.5 million of EU funding for a programme to improve access to medical care for victims of sexual violence in East DRC.

### **EU sugar assistance to Mauritius energises economy**

Long-term EU support to improve the sugar industry's competitiveness and encourage economic diversification has put the whole of the economy in forward motion. The EU is helping implementation of a comprehensive ten-year economic reform plan for the sugar sector. It has allocated over EUR 278 million to Mauritius for the period 2006-13 - in the form of general budget support - under its Accompanying Measures for Sugar Protocol countries (AMSP) programme. Since the start of the programme, sugar yields have increased and the country is now producing refined and value-added sugar, boosting the value of its exports. A sugar by-product, bagasse, is being used to produce electricity and work is on-going to make ethanol from sugar to blend with gasoline.

## **Monitoring (ROM)**

### **Sub-Saharan Africa (including South Africa)**

In 2012, 362 ongoing national projects and 46 ongoing regional programmes, representing total EU commitments of more than EUR 2.6 billion, were reviewed by independent experts in 44 Sub-Saharan countries. Additionally, 67 completed projects which had benefited from a total EU contribution of EUR 268 million and seven SPSPs were assessed (ex-post ROM).

Analysis of the results shows that 70.4 % of national ongoing projects were performing "very well" or "well"; 24.9 % of reviewed projects experienced some problems, and 4.7 % encountered major difficulties. These results are in line with 2011 figures, when the

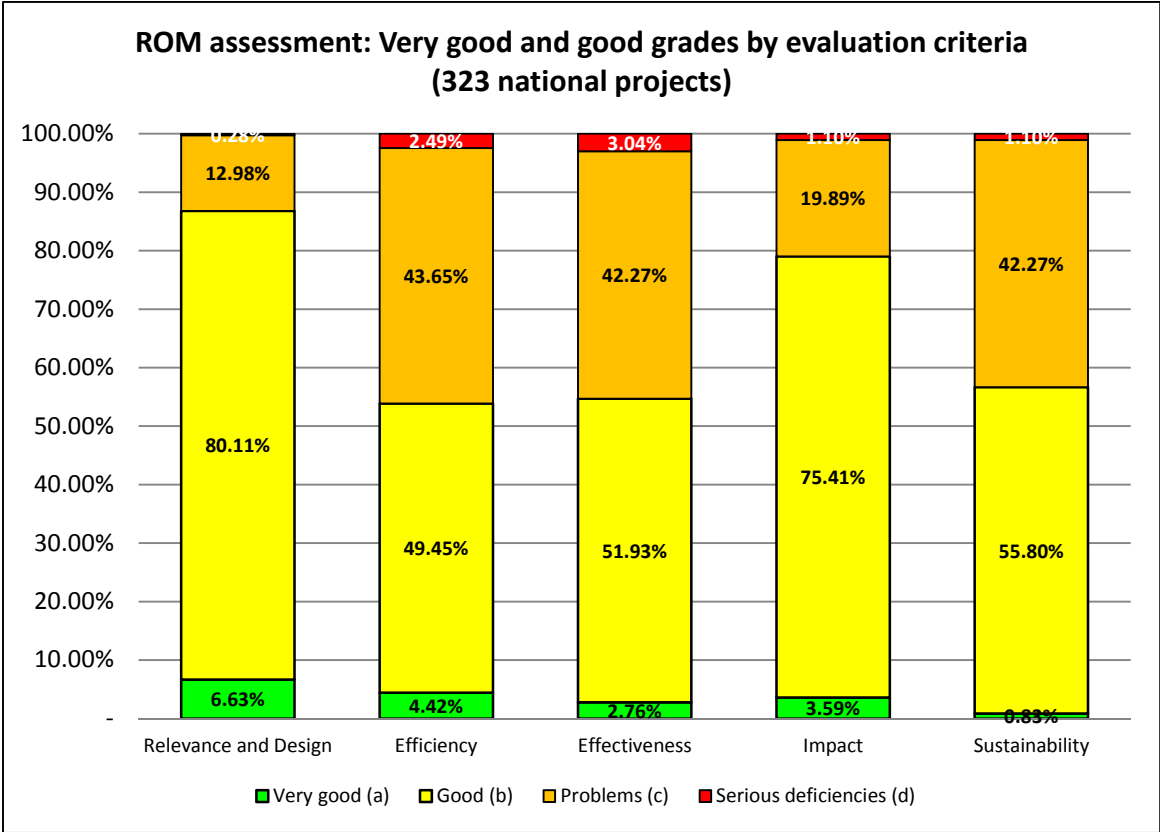
percentage of national ongoing projects encountering problems and major difficulties accounted for 22.6 % and 5.9 %, respectively (it should be noted, however, that the comparison is not based on the same sample of projects). In terms of assessment of closed operations, 67.2 % received good marks (compared to 61 % in 2011 from a sample of 49 projects).

In general, 86.7 % of assessed ongoing projects received "very good" or "good ratings in terms of relevance and design. Some constraints persist related to: efficiency 46.1 % of projects reviewed faced problems with inputs and implementation of activities; effectiveness, 45.3 % experienced some difficulties in delivering results and sustainability, 43.4 % had problems. However, potential impact remains "very good" or "good" for almost 79 % of visited projects.

As was the case last year, the main sectors affected by ongoing national monitoring were social infrastructure and services (with reports on 224 ongoing projects covering a budget of almost EUR 596 million) and economic infrastructure and services (39 reports, EUR 766 million). 71.9 % of social infrastructure projects assessed have received "very good" or "good" marks, while for economic infrastructure this figure rises to 76.9 %. The rate of projects facing major difficulties was 3.6 % and 5.1 %, respectively.

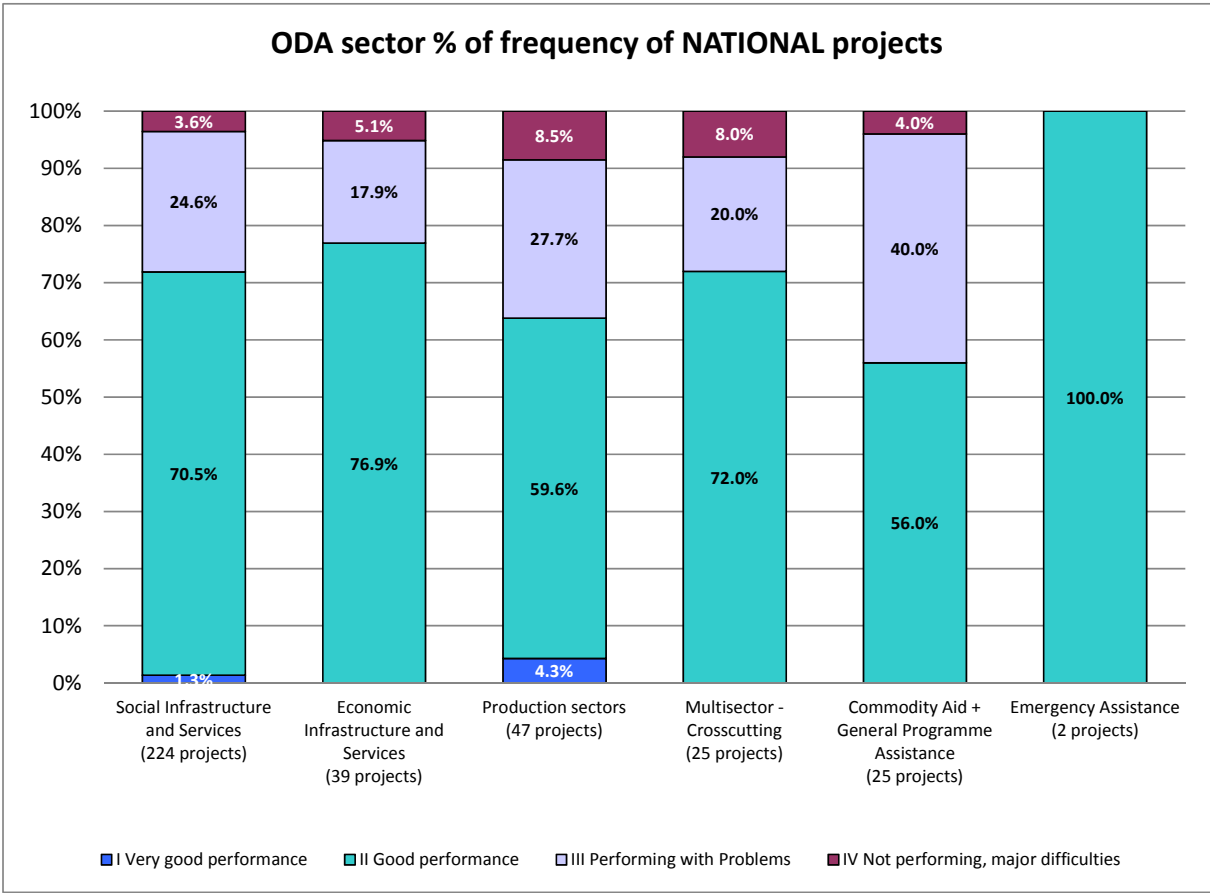
Productive sectors (agriculture, fisheries, industry, etc.) were also monitored in 2012, with a total of 47 reports produced for an overall budget of EUR 131 million. There were encouraging results as 63.8 % of projects were judged to be performing "well" or "very well". However, it was also noted that 8.5 % of visited projects had encountered major difficulties.

**Table 9:**





**Table 10:**



**Outlook**

**Lessons learnt from EU support to regional cooperation in Africa: Mid-term review of the 10<sup>th</sup> EDF**

Promoting regional integration has been a long-standing objective and is set to remain so, as the EU has reaffirmed its commitment towards this in the Agenda for Change. Under the 10th EDF the regional indicative programmes have taken on a specific meaning, with the negotiation of Economic Partnership Agreements (EPAs) and the strengthening of the political mandates of regional African organisations. This context justified a doubling of the regional integration allocation in comparison to the 9<sup>th</sup> EDF. The bulk of the envelope (75 %) supports ACP regional economic integration. A second major focal sector of African regional programmes has been support for political cooperation. This sector, in turn, has two main components: support for the implementation of the Joint EU-Africa Strategy and support for regional mechanisms designed to promote peace, stability, conflict prevention and security.

Despite the big increase in regional funding under the 10<sup>th</sup> EDF, it must be acknowledged that, four years later, most EPAs have not yet been concluded and there has been very limited progress with regional integration in Africa. The rate of implementation of EU funds remains low.

**Final year of the 10<sup>th</sup> EDF**

Funds under the 10<sup>th</sup> EDF can be committed only until the end of 2013. Approximately EUR 4.5 million needs to be committed in the course of 2013 for ACP countries and Overseas Countries and Territories. Most of these resources will be directed toward Sub-Saharan Africa. In order to ensure full absorption of the 10<sup>th</sup> EDF, the EU and ACP countries undertook a substantial review of national and regional indicative programmes in 2012. This has also allowed the allocation of resources to major priorities such as building long-term resilience and reducing the vulnerability of those most affected by disasters in the Sahel and the HoA, as well as to support SE4ALL.

## **Multiannual Financial Framework, 2014-20**

A decision on the amount of the 11th EDF for the period 2014-20 is expected in early 2013. Pending the entry into force of this EDF, multi-annual programming has started in Sub-Saharan countries, with an analysis of national development strategies which will be used as much as possible as a basis for the future indicative programmes for EU aid. In 2013, priority areas for indicative programmes will be agreed by the EU and its African partners, taking into account the priorities of their national strategies and the Agenda for Change.

## **Africa-EU cooperation**

Both Africa and Europe have undergone important changes. Both continents also face global challenges and interact with other key players in the international arena. Furthermore, Africa's population and dynamic economy can help Europe meet some of its challenges. The proposed new EUR 1 billion Pan-African Programme within the DCI is part of the on-going discussions of the Multiannual Financial Framework. When adopted, it will provide dedicated support for the joint Africa-EU Strategic Partnership. This programme will enable the EU to treat Africa "as one" and to support the continental dimension of the Strategic Partnership in the many areas where Europe and Africa have shared values, interests and objectives.

The implementation of the current JAES action plan will continue in the run-up to the fourth Africa-EU Summit in early 2014. In the area of peace and security, the African Peace Facility (APF) will continue to support the operationalisation of the African Peace and Security Architecture, provide funding for AMISOM and MICOPAX, and support to the peace operation in Mali (AFISMA). New activities against piracy are envisaged in the Indian Ocean. The EU-Africa Partnership will also support African research by interconnecting national research networks in Eastern and Southern Africa and improved cooperation in the areas of aviation and maritime transports.

To prepare for the next Africa-Europe Summit in 2014, the EEAS and the Commission have started reflecting on ways to further strengthen the EU's relationship with Africa, building on what has been achieved so far in order to adapt the partnership to new circumstances. The added value of the EU-Africa partnership as the overarching political and policy framework for Africa-EU relations is clear. However, implementing this ambitious strategy remains a challenge.

### **2.2.1. South Africa**

#### **Introduction**

A Strategic Partnership was established with South Africa in 2006 in recognition of the country's key role both in Africa and globally. Under this partnership the EU and South

Africa cooperate on political, trade and economic matters, as well as on science and technology, the environment and energy. During 2012, there was further action to build on the partnership's achievements. The HR/VP's attendance at the 5th annual South Africa-EU Summit in South Africa in August 2012 provided a further opportunity to engage President Zuma and his administration on a wide-ranging agenda. Good progress was noted on implementation and there was open, dynamic and valuable discussion of issues of joint interest, from global governance to peace and security. In particular, there were helpful ideas for advancing the SADC/EPA negotiations and anti-piracy cooperation. Given South Africa's strong engagement in conflict prevention and resolution in Africa, the EU and South Africa continued their dialogue on peace and security matters and to jointly review respective assessments and commitments. Cooperation was strengthened on human rights, higher education, science and technology, space, the environment and climate change.

### **Aid effectiveness and donor cooperation**

During 2012 the new "global partnership" came into play. The new emphasis on country-level activities has been supported by the South African authorities, who are now starting to look at aid effectiveness principles from two angles: as a recipient of support from outside and as a provider of support to neighbouring and other African countries. Particular themes received increased emphasis in the Busan Outcome document, notably the role of civil society and the private sector and the fundamental issue of capacity building. These areas will all be explored in further detail in the future.

The EU is recognised by the South African government as a good performer on aid effectiveness using country systems, with close to 80 % of its funding committed in the form of budget support. During 2012 there was a strengthening of donor cooperation, particularly between EU Member States present in South Africa. An enhanced system of information sharing between South African government authorities and the European Union took place. Thorough discussion also took place between the EU and its Member States jointly analysing national development plans. The EU+ Working Groups also continued their work, with new emphasis being given to the areas of education and environment, whilst work in the area of health and gender remained particularly strong.

### **Working towards the MDGs**

South Africa is a middle income country but is a young democracy and is still very much scarred by its history of apartheid. Indeed, it has one of the most unequal societies in the world with the spatial settlement left behind by apartheid still very much in evidence. South Africa's MDG performance remains much the same as in past years. The country has advanced towards poverty reduction (MDG 1) and education (MDG 2). However progress in the area of health (MDGs 4, 5, and 6) is lagging behind, mainly due to the continuing HIV/Aids pandemic. There has been satisfactory progress on gender equality (MDG 3).

### **Implementation and results**

In 2012 the remaining half of the EUR 250 million national development policy support programme (NDPSP) - which will help implement the national development plan - was approved. A EUR 5 million top-up to the Erasmus Mundus Programme was provided, along with a EUR 1 million top-up to the Trade, Development, and Cooperation (TDCA) Facility. Additionally, for the first time an allocation of EUR 3 million was made from the Instrument

for cooperation with industrialised and other high-income countries and territories (ICI+) comprising EUR 2 million for Erasmus Mundus Scholarships (for higher education staff and students from Europe going to South Africa); as well as EUR 1 million for business, culture and public diplomacy "outreach". At the end of 2012 just over EUR 850 million - or around 87 % of the total EUR 980 million 2007-13 envelope for South Africa - had been committed. The year 2012 was also a record year for payments, with EUR 142.8 million disbursed.

In the areas of health and education there has been continued EU support in South Africa. In health, attention has focused on the piloting of the country's National Health Insurance scheme with an ambitious programme to improve the performance of the health system over the next thirteen years. In education, the early childhood programme continues to progress, with an increased number of universities participating in teacher training (14 400 students in 2012 compared to just over 10 000 in 2009). The Erasmus Mundus programme continues to provide support with some 265 students and staff having participated in 2011 and 2012.

In the area of governance the Legislative Sector Programme had its third "oversight" consultative conference. As the conference involved neighbouring countries, an opportunity was provided to share South Africa's oversight model. Over 300 parliamentarians attended training courses; there were over 40 outreach activities to take parliament to the people, and around 470 000 multilingual pamphlets explaining parliament were produced.

Through the justice programme, practical support has continued with the establishment of 46 new community advice offices - each of which assists around 200 people per month, including victims of violence, asylum seekers, people involved in land disputes and those in need of social grants. At a more general level, radio broadcasts raising awareness of constitutional rights have been made to around 3.5 million people. The EU Delegation also continues to support a number of human rights CSOs and engages with civil society on a regular basis.

Gender and development is another crucial issue in South Africa, as is gender-based violence. These issues are addressed in health, education, and justice programmes and will be included in projects under preparation in the areas of the environment and employment. The campaign to counter violence against women and girls has been supported in the past through the Victim Empowerment programme, and there are currently three smaller EIDHR grant programmes for country-based support which are raising awareness on this important issue.

In terms of results, the area of employment saw the establishment of a Small Enterprise Finance Agency, in part motivated by the EU-financed Risk Capital Facility (RCF). The RCF is in its second EUR 50 million phase (RCF2), after having invested EUR 37 million under the first funding phase. To date, the RCF has funded over 100 SMEs, as well as investment funds which in turn invest in SMEs. Globally, the financial leverage effect has increased to more than 200 % and more than 8 000 jobs have been or are expected to be created. To date around 25 projects have been supported under the Employment Creation Programmes, jointly supported with the UK department for international development (DFID), and attention is now turning to how the programme might be improved by widening the number of eligible organisations. The Youth Empowerment programme has brought sports events to over 60 000 young people.

In 2012 the NDPSP went into implementation. This programme is designed to combine budget support with targeted capacity building activities.

2012 also saw the formalisation of relations between South Africa and the EU in the field of education and training with the signature of a joint declaration in Cape Town in May 2012. The first Senior Officials' Meeting is planned for 2013, with the participation of experts from both the EU and South Africa.

## **Monitoring**

An independent monitoring mission took place in 2012 to assess the results and quality of eight projects. Of these, seven were evaluated as having performed well with respect to all five assessment criteria (relevance, efficiency, effectiveness, impact, and sustainability) while one was evaluated as performing with problems but without serious deficiencies. Efficiency and sustainability recorded the highest scores. The difficulties within the project, which was judged to have performed below expectations, were largely due to the fact that the project was expected to show results across two other countries in addition to South Africa. This had greatly complicated implementation.

## **Outlook**

The EU will continue to implement its existing programmes in the areas of employment, capacity development, governance, regional cooperation and the Trade, Development and Cooperation (TDCA) Facility. The new NDPSP is expected to start showing results in 2013, especially in the area of public financial management. During 2012, an infrastructure investment programme for South Africa was prepared. It is expected to be approved in early 2013 and to start implementation later in the year. This programme seeks to pilot the grant and loan "blending" approach, and includes a South African bank as well as European development banks.

A programme promoting constitutional rights is planned in support of the recently established constitutional development branch in the Department of Justice. This covers socio-economic rights such as housing, health, education, water and food which are enshrined in the country's constitution.

In the context of the Strategic Partnership with South Africa, people-to-people and institution-to-institution contacts, exchange of information and knowledge and trilateral cooperation will also be promoted. These activities will take place within ongoing programmes and, where appropriate, under the TDCA Facility.

Next year, work will continue on the design of post-2013 cooperation, in close collaboration with Member States. Indeed, 2013 is a year in which discussions with South Africa can be expected in the context of the international agenda relating to the implementation of the Global Partnership for Development Effectiveness; the post-2015 development framework; Rio+20 and sustainable development goals, as well as the G20 Development Agenda.

### **2.2.2. Intra-ACP programmes (including water and energy)**

"Intra-ACP cooperation" is designed to address the shared challenges facing ACP States and is complementary to national and regional cooperation under the Cotonou partnership. It is based on the principle of subsidiarity and is implemented when activities at national and/or regional levels would prove less effective.

The mid-term review of the programme was concluded during 2012. It provided the opportunity to reallocate resources to where they are most needed and where they will have the greatest impact. In line with the Agenda for Change, the sectors identified are: trade and private sector support, sustainable energy and agriculture, PFM and education. The projects will address poverty alleviation, sustainable development and the integration of the ACP countries into the world economy.

By 2012, a total of 86 % of the EUR 2.9 billion allocated to the intra-ACP programme under the 10<sup>th</sup> EDF had been, or was in the process of being, implemented. The 2012 Annual Action Programme for intra-ACP cooperation consisted of a package of six programmes amounting to a total of EUR 67 million in the environment, agriculture, education and infrastructure sectors.

In 2012, the Erasmus Mundus and intra-ACP Mobility programmes, concluded contracts that have paved the way to the mobility of around 930 students and academics from south to north or south to south. The AfricaConnect research network project was officially launched, heralding the imminent connection of eastern and southern African universities to the Gigabit European Advanced Network Technology (GEANT) network.

The African Monitoring of Environment for Sustainable Development project has significantly improved the use of remote sensing data for environmental and climate monitoring applications in Sub-Saharan Africa. It includes the installation of 111 new EUMETCast stations, as well as the upgrading of stations already in place. As a result, African national and regional institutions, as well as the continent's National Meteorological and Hydrological Services, can now provide decision-makers with the information needed to manage the environment more effectively and thus contribute to long-term sustainable development in the region.

### **Water facility**

As sanitation continues to be a major challenge, a specific call for proposals was launched and finalised in 2012 under the Water Facility. Under the EU MDG Initiative EUR 266 million was committed in 2012 to contribute to the achievement of the water and sanitation MDGs in 19 ACP countries.

The EU also supports the New Partnership for Africa's Development (NEPAD)/African Union Network of Water Centres of Excellence (ACE-Water) in line with its development strategy to support south-to-south collaboration. Two networks federating nine countries in Western and Southern Africa are working together, with assistance from the Commission's JRC, to develop the regional capacities needed to improve links between research and policy making. This applies particularly to the identification of priority needs in research, higher education and capacity building for policymakers, as well as the design of related implementation tools.

### **Energy**

More than 12 million people should benefit from an improved access to modern energy services thanks to the projects already financed by the Energy Facility all over the ACP region. An innovative blending instrument – a pooling mechanism – has also been launched by the Commission under this facility with a EUR 40 million budget made available. This new

mechanism has been conceived as a flexible tool to enhance private sector participation, maximise the impact of Energy Facility grants and better coordinate at EU level available resources and expertise in the sector. Through this mechanism the EU has contracted five energy projects in 2012. These projects will provide access to electricity to more than 2.6 million people across the ACP region.

In 2011, UN Secretary-General Ban Ki-moon called for the world to provide "universal access to clean, affordable energy by 2030" and launched the SE4ALL initiative.

In this context Commission President Barroso proposed during the EU SE4ALL Summit in April 2012 the ambitious goal of helping developing countries provide access to sustainable energy services to 500 million people by 2030. In order to turn this pledge into reality the Commission is mobilising significant resources to immediately scale-up its support for sustainable energy:

- EUR 400 million has been committed to energy related actions in Sub-Saharan Africa, and will be implemented by using innovative financial instruments.
- an EU technical assistance facility of EUR 65 million is being set up in order to assist partner countries in refining their policies so that they can attract the necessary private investments.
- EUR 75 million from the Intra-ACP envelope will be dedicated to rural electrification projects.

The EU remains firmly committed to addressing the current and future energy and development challenges through dialogue with its development partners. The EU Energy Initiative (EUEI) and the Africa-EU Energy Partnership (AEEP) are key vehicles for the Commission and Member States to jointly deliver on these commitments.

As part of the AEEP, a stakeholder forum was organised in 2012. The forum allowed private sector, civil society and research stakeholders in Europe and Africa to explore opportunities and synergies with which to achieve progress in the AEEP 2020 targets in renewable energy, energy efficiency, energy access and energy security.

## **2.3. Latin America & the Caribbean**

### **2.3.1. Latin America**

#### **Introduction**

Preparatory work for the first EU-CELAC Summit (Seventh EU-LAC Summit) in Santiago de Chile in January 2013 was carried out throughout 2012. Specifically, three EU-LAC senior officials' meetings were held together with a number of preparatory events co-financed by the EU, notably on investment-related issues, information and communication technologies, business cooperation, social cohesion and civil society.

Signed in June and given European Parliamentary approval in December, the EU-Central America Association Agreement and multi-party trade agreements with Colombia and Peru are expected to provisionally enter force in the second semester of 2013.

Two rounds of negotiations on the EU-MERCOSUR Association Agreement were held in Brussels and Brasilia with progress being made in the normative part of the agreement. During the Brasilia round, negotiators agreed that further progress was conditional on the exchange of market access offers. It was agreed to give the process a political boost by holding a ministerial level meeting in the margins of the 2013 Santiago Summit.

The Sixth EU-Mexico Summit took place in Los Cabos, Mexico, in June 2012. The Summit confirmed the good relationship with this Strategic Partner, a key ally in the international arena notably on climate change, the environment, human rights and, more recently, vis-à-vis trade protectionist measures introduced in a number of Latin American countries. International and global security challenges and the international economic situation were also discussed. Although 2012 was an electoral year in Mexico, the EU-Mexico high level dialogue continued, notably covering human rights cooperation.

Preparation for the Sixth EU-Brazil Summit in Brasilia due in January 2013 was undertaken. The EU and Brazil also continued to actively implement the 2012-14 joint action plan. This has extended their cooperation to new dialogues on general UN matters, drugs-related issues and engaging in negotiations on a Framework Participation Agreement for EU CSDP missions. The EU and Brazil also kept up an active political dialogue with cooperation continuing to advance steadily in most areas.

The activities of the EU-LAC Foundation officially began in 2012, with three meetings of the board of governors taking place in March, July and October. The Foundation organised a series of events including the I EU-LAC Congress of Media Editors and attended the Ibero-American Summit in November in Cadiz as observer. Talks on an agreement to give the Foundation international status made good progress.

The EU-CELAC structured dialogue on migration continued with the sixth High Level Meeting on Migration being held in Brussels in May and covered issues related to migration and economic growth. The Seventh High Level Meeting on Migration took place in November and addressed human trafficking and migrant smuggling.

In relation to drugs, the 14th High Level Meeting of the EU-CELAC Coordination and Cooperation Mechanism on Drugs (COPOLAD) was held, in June, in Brussels. In preparation, for the high level segments, technical meetings on migration and drugs were held. Specifically with the Andean Community, the Eleventh EU-CAN Specialised Dialogue on Drugs took place in October.

Security continued to be one of the main priorities on the EU's LAC agenda and especially in Central America, where the situation remains troubling. The EU is supporting the implementation of the Regional Security Strategy, adopted by the Central American Heads of State in June 2011. A new EUR 14 million programme was approved in response to the priorities set out in the Regional Strategy. To better respond to the security threats in Central America and the Caribbean - the worst affected regions - preliminary internal discussions were launched to define an EU strategy based on a comprehensive approach.

In the context of contractual frameworks with individual Latin American countries, the Association Committee took place with Chile and joint committees were held with Uruguay, Paraguay and Brazil. Political consultations with key partners including the United States, Russia and China were also held. In addition to a discussion of the overall policy in the LAC



region, these meetings discussed: security, trade, investment and regional integration as well as country-specific matters. High level political dialogues were held with Colombia, Bolivia and Peru, and expanded to new areas of mutual interest such as extractive industries and business policy. The EU also supported the launch of peace negotiations between the Colombian government and FARC (Revolutionary Armed Forces of Colombia).

Bilateral and regional projects and programmes totalling EUR 369 million were financed for Latin America in 2012 out of the DCI. The Latin American Investment Facility (LAIF) continued its successful implementation with a total of 12 projects being approved by the Operational Board in 2012. This represents a total LAIF contribution of EUR 128.8 million, helping to mobilised funds for a total of more than EUR 2.6 billion. The LAIF contributed to projects in the energy, water and sanitation, private and social sectors in 2012.

### **Aid effectiveness and donor coordination**

A progressive phasing out of bilateral cooperation at the EU level (including Member States) can be seen in the upper middle income countries of Latin America. During this process, coordination with Member States has concentrated on complementarity, exchange of information concerning ongoing operations and joint visibility. In addition, new forms of cooperation are being explored where triangular cooperation is also considered.

In the region's lower middle income countries, where bilateral cooperation will continue to play an important role, there is still strong commitment to improve aid effectiveness. As part of EU programming for the period 2014-20, consultation and cooperation between the EU and its Member States has progressed in 2012. In some countries, joint EU analyses of national development strategies as well as joint response strategies are being developed, which in some cases may lead to joint programming.

This takes EU coordination to a new level and should lead to improved coherence, complementarity, impact and visibility. Generally speaking, there is a good basis for the implementation of the aid effectiveness principles in the context of the 2014-20 programming cycle under the DCI.

In Paraguay, the EU Delegation set in motion a process of joint programming whereby the EU and the Member States represented in the country will produce a joint analysis of the governance and the social and economic situation in Paraguay. This will also be the basis for drafting the individual development cooperation strategies.

### **Drive for aid effectiveness in Guatemala**

In January 2012, an EU joint programming exercise, internally coordinated by the EU Delegation, was launched bringing together the Commission, EU Member States and its main national counterpart, Secretaría de Planificación y Programación de la Presidencia (Segeplan). As meeting coordinator, the Delegation prepared the agenda and invited EU Member States to submit topics for debate. The meetings provided an opportunity to discuss the operational aspects of aid effectiveness and division of labour and facilitated further exchange of information, thus contributing to a more coherent and coordinated process of project funding. It is likely that EU joint programming will become a reality for several other countries of the region over the medium term, with the EU Delegations playing a leading role.

In addition to the monthly head of mission meetings, where not only external relations, but also major development issues are treated, the EU Delegation chairs the EU Heads of Cooperation meetings which take place every two months. During these sessions, the EU Delegation provides information on ongoing projects, projects under identification or formulation as well as on field missions, dispatches from headquarters, forthcoming events and other initiatives of topical interest.

### **Working towards the MDGs**

The 2012 UNDP Millennium Development Report noted that Latin America as a whole has made significant progress towards the MDG targets. The region had relatively high growth rates throughout 2012, with several countries improving income distribution, raising per capita social public expenditure and applying macroeconomic policies, thus lessening the impact of the financial crisis.

In Latin America, the main problems in attaining the MDGs are: the effects of very low productivity gains between 2001 and 2011; differences in under-nutrition rates between children in rural and urban areas (MDG 1) and - despite significant progress in access to basic education - the limited coverage and quality of higher education and gender equality (MDG 3). In relation to MDGs 4, 5 and 6, the health conditions of the population have improved. However, progress is still unevenly distributed and insufficient, as regards some indicators like the high adolescent birth rate in the region. Furthermore, in relation to environmental sustainability (MDG 7), Latin America continues to have some of the highest deforestation rates in the world and carbon dioxide emissions have been growing steadily.

Rural and urban inequalities in access to social services are calling into question the achievement of the MDGs. This is the case for MDG target 1.C, which calls for a halving of the proportion people suffering from hunger and undernourished children between 1990 and 2015. While statistics report a decline in the proportion of underweight children under five years old (from 10 % in 1990 to 4 % in 2009), differences in under-nutrition between rural and urban child populations in Latin American are the highest in the world. However, there are positive trends as a combination of political stability, adequate domestic funding, strong international support and genuine policy dialogue has led to a sustained reduction in malnutrition disparities between rural and urban populations.

Latin America met the Millennium development target related to hunger reduction. However, malnutrition represents a significant problem in a number of countries putting at risk the achievement of goals 1 and 4.

### **EU assistance to Peru contributes to 8.8 % fall in child malnutrition**

Between 2007 and 2011, rates of chronic malnutrition in Peruvian children under five fell from 25.4 % to 16.6 %, at a higher rate in rural populations than in urban areas, thanks to the implementation of the "Programa Articulado Nutricional", which aims to reduce chronic malnutrition and poverty. As a result of constructive and open dialogue with the government of Peru, the EU has contributed EUR 60.8 million to the project.

In comparison to the rest of Latin America, where the average rate of malnutrition is around 16 %, Peru has a particularly high rate in children under five, which varies from 25 % at national level to 47 % in areas of extreme poverty. A combination of factors such as a

shortage of quality food, poor eating practices and inadequate sanitation and living conditions have been identified as primary causes.

### **Supporting early childhood development in Brazil and Peru**

The project "Supporting Access to Basic Services for Early Childhood Development in Brazil and Peru", to which the EU has contributed EUR 3.8 million, aims to improve the lives of 192 300 people in Brazil and 5 500 in Peru, including children, caretakers and organisations, through improvements in public health services and the capacity building of civil society and local authorities.

Brazil and Peru have huge inequalities linked to race, ethnicity, gender, social class and geographic location. Indeed, the Northeast region of Brazil and the Andean Highlands of Peru comprise areas of extreme poverty and many children still die from easily treatable diseases such as pneumonia and diarrhoea. However, civil society and local governments are mobilised to ensure the health and wellbeing of children under five from excluded populations and synergies between child-focused policies and those sharing best practice between local, national and international initiatives have been recorded.

### **Implementation and results**

#### **Bilateral cooperation including budget support**

In **Brazil**, the success of the ongoing project to support sector dialogue in areas where both the EU and Brazil can learn from one another's experiences with public strategies, policies and activities, led to the approval of a third phase of the EUR 7.5 million support action under the ICI revised Regulation. Under the same Regulation, funding worth EUR 1 million was allocated enabling the European outward academic mobility to Brazil under Action 2 of the Erasmus Mundus Programme.

In **Colombia**, in order to strengthen good governance, including the rule of law and the fight against corruption, the EU approved an EUR 8.2 million project. In addition, to promote innovation and economic development, while strengthening social and regional cohesion, an EUR 8 million project to roll out digital television was approved under the ICI revised regulation.

In 2012 in **Ecuador**, project implementation continued to make good progress. Political dialogue was further intensified in relation to education and sustainable development budget support programmes. In the use of the latter, a new EUR 32 million programme was approved during the year.

**Bolivia** is one of the 13 countries with the world's highest rates of biodiversity. In 2012 the EU and the National Service of Protected Areas signed a EUR 18 million financing agreement (EU contribution) to help preserve protected areas of national parks and prevent illegal deforestation (PACSBio). This will be implemented through budget support and will also give local actors the opportunity to ensure that development takes place in the context of poverty eradication.

The year 2012 saw advances in the fight against illegal drugs in Bolivia, with the United Nations Office on Drugs and Crime (UNODC) recording a decrease in the production of coca

cultivation. The EU played a key role in combating illegal drugs and drug trafficking, which is a focal sector of the Country Strategy Paper 2007-13 for Bolivia.

In **Peru**, the EU has contributed EUR 13 million to the Euro Eco Trade Programme to support the Peruvian policy of promoting exports of ecological products. The primary objective is to improve the capacity of key actors along the value chain - from production to export - with particular emphasis on the promotion of environmentally friendly agriculture and the preservation of biodiversity and natural resources.

In **Costa Rica**, the security and justice sector financing agreement linked to "Programa de Seguridad Ciudadana" (Prosec) was signed with the authorities, with an EU contribution of EUR 13 million. The action aims to support the national security strategy and contribute to public security reform.

In **Panama**, with the adoption of the new National Strategy for Public Security in June 2012 a sectoral policy dialogue on citizens' security is now underway.

#### **Social Cohesion Laboratory (SCL) II in Mexico (EU contribution: EUR 11 million)**

This project aims at strengthening social cohesion in Mexico by promoting structural reforms that foment equal opportunities in the access to basic public services, development, justice, security and human rights.

Approved in 2012, the project assists Federal institutions as well as the States of Oaxaca and San Luis Potosí in reviewing, adjusting and implementing innovative public policies and institutional practices. The main aim is to introduce more effective participatory public policy and programme planning, design, execution, coordination and monitoring processes.

This project will complement the ongoing Mexico-EU Social Cohesion Laboratory I very well and add two new platforms to those existing under SCL I: one on human rights and justice, and one on social crime prevention and security.

In **El Salvador**, with the help of the Support Programme for the Recuperation of the economy programme (PARE-ES), the Ministry of Finance has increased the fiscal pressure to 15 % of GDP with the aim of increasing it to 17 % by 2014. This intends to improve its effectiveness in revenue collection, including customs and special levies. Despite an unfavourable economic environment and low growth rates, it should be noted that social expenditure has increased sharply.

El Salvador ended the year with a record investment of USD 833.4 million in social programmes and infrastructure. Of this, USD 354.7 million has been invested in social programmes such as the Social Education Plan, the Caring Communities, Health Reform, the Family Agriculture Plan, City Woman and housing programmes. Two EU focal sector programmes - PROEDUCA (EUR 25 million) and PACSES (EUR 47.4 million) - are supporting education and social cohesion respectively.

In **Guatemala** the focus was on unemployed or under-employed young people between the ages of 14 and 29 living in densely populated urban areas or remote rural regions. This group does not benefit from social security and falls outside the scope of labour rights monitoring. The newly approved EUR 12 million 'Youth Employment Generation and Vocational

Training' programme will help young people in the country to improve their technical and administrative skills to improve their employment prospects and encourage them to set up their own businesses. It will also provide an alternative to joining the rising number of street gangs and organised criminal groups involved in drug trafficking and contribute towards poverty reduction (MDG 1).

In **Honduras**, climate change, together with illegal logging, is putting the safety and livelihoods of large parts of the population at risk, particularly in rural areas. The new EUR 47 million 'Forest Sector Support Programme' will help communities living in forest areas to better manage natural resources in order to both improve their living conditions and to preserve biodiversity. This programme will contribute to poverty reduction (MDG 1), environment conservation (MDG 7) and support women's employment (MDG 3).

To help reach the national goals set for the sector, the government of **Nicaragua** is drawing up the Integrated Sector Programme for Human Water and Sanitation. The EU is supporting the first phase of this programme through the LAIF, with a maximum contribution of EUR 50 million - of which EUR 30 million was committed in 2012. The project will contribute to raising the standard of living of Nicaraguan families through solidarity and sustainable access to drinking water as well as urban and rural sanitation, while fostering good environmental practice.

#### **"Tec-Nica" improves employability in Nicaragua**

The EUR 15 million Tec-Nica programme supports the implementation of Nicaragua's national strategy for Vocational Education and Training (VET) by providing professional qualifications to improve the population's employability in the context of lifelong learning. Since 2003, the coordination scheme, with donors established by the Nicaragua government, has been remarkably positive and the current level of coordination and policy dialogue in the education sector presents an excellent opportunity for further implementation of this programme.

The establishment of a Working Group on VET represents a key development in relation to government-donor coordination and its key members participated in a workshop for the formulation of the programme. Active participants are the EU, the Spanish Agency for International Development (AECID), the Luxembourg agency for international Development (LuxDev), UNICEF, UNDP, the Swiss development cooperation (SDC), the World Bank, the United States Agency for International Development (USAID) and Japan International Cooperation Agency (JICA).

#### **Fighting organised crime and drugs in Nicaragua**

The EU has contributed EUR 10 million to a project that promotes good governance and security in Nicaragua by supporting the country efforts to combat organised crime and drugs. Designed in the context of the Central America Security Strategy (ESCA), and contributing to several of its objectives, it will be implemented through delegated cooperation with the Spanish Agency for International Development Cooperation (AECID).

In this framework, coordination arrangements are set up with the ESCA Group of Friends, and, in particular, with the Sub-groups Combating Crime, and Prevention (coordinated by Germany) and Institutional Reinforcement (coordinated by Spain). In Nicaragua, coordination

among donors working in the security sector will be implemented in the framework of the Dialogue Forum, in operation since 2009, in conjunction with the national police. This provides clear systems for coordination, accountability and information exchange. Both Spain and Germany have expressed high expectations for the project outcomes.

Budget support programmes represent almost 39 % of bilateral cooperation in Latin America committed in 2012, with actions approved in Peru, Bolivia and Honduras among others. The majority of budget support operations in the region is in the form of sector budget support and most recently sector reform contracts.

In **Uruguay**, relations with the EU in the cooperation sector are smooth and productive. The country has reacted positively to the prospect of 'graduation' in 2014 and the financing agreement for the innovation support contract and Territorial Cohesion Policies, with a EUR 11 million EU contribution, was signed in August 2012.

In **Argentina**, the implementation of cooperation activities is proceeding well and no AAP in 2012 was foreseen.

In **Mexico**, sectoral policy dialogue is underway in the fields of higher education and culture. A joint comparative study on the internationalisation of higher education was completed in autumn 2012 and a seminar is planned in 2013.

EU cooperation with **Paraguay** was affected by a number of major events in 2012. On 22 June 2012, an impeachment procedure in the national congress led to President Fernando Lugo being ousted and former vice president, Federico Franco, taking his place. However, with national elections expected to take place on 21 April 2013, EU cooperation has continued. Two important events include the ratifying of the financing agreement for the Social Development Policy Support Programme in March 2012 and the Paraguayan Congress' adoption of the Personal Income Tax act (EU contribution EUR 31 million) in July.

A **Mercosur** biotechnology project (EU contribution EUR 2 million) was approved under the 2012 AAP and negotiations between the EU and the Mercosur for an Association Agreement continued. The draft agreement includes a chapter on cooperation which is expected to open up a number of cooperation possibilities.

In line with commitments to support the **Andean Community** in its fight against illicit drugs, EUR 6.5 million was approved for the Regional Project to Support Demand Reduction of Illicit Drugs (PREDEM).

On research, a regular science, technology and innovation dialogue has been established Under the EU-LAC Joint Initiative for research and innovation and the second senior officials meeting took place in Chile. Progress has been made as regards the roadmap and four thematic working groups for implementing the initiative. This work contributes to the preparation of the EU-CELAC Summit which will take place in January 2013.

## **Regional cooperation**

Several regional programmes for Latin America continued in 2012. They include: ALFA III - a higher education cooperation programme between the EU and Latin America - and AL-INVEST IV, which promotes the consolidation of Latin American SMEs into the global

market. The Alliance for the Information Society (@LIS 2) pressed ahead to reduce the "digital divide" to help integrate Latin America into the global information society while EUROSOCIAL II continued promoting social cohesion in Latin American societies. At the same time, EURO-SOLAR helped rural communities without electricity in Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru by providing access to renewable electric energy. Other ongoing Latin American programmes include: URB-AL III which targets cooperation on social cohesion matters between local authorities in the EU and Latin America; COPOLAD, a regional programme aimed at strengthening the capacity of participating countries to formulate sound drug-related policies; EUROCLIMA, an environment programme fostering coordination and knowledge-sharing; ALCUENET, a CELAC-EU network bringing together 19 partners in R&T from both regions and the initiative "Strengthening the dialogue between the EU and LAC to establish management models on migration and development policies", an EU targeted project aimed at strengthening capacities in Latin America and the Caribbean in the area of migration.

### **Joint education programme sparks renewable energy development in Latin America**

The Joint European-Latin American Universities Renewable Energies (JELARE) Project<sup>56</sup> is a university cooperation scheme involving universities from Germany, Latvia, Bolivia, Brazil, Chile and Guatemala. The project aims to mainstream renewable energy development in Latin American countries by promoting research, forging links between the private and public sectors, and establishing long-term partnerships between European and Latin American institutions.

While renewable energy goals are high on the political agenda in Latin America, and despite the wide availability of natural resources, existing potential is not being fulfilled. One of the main stumbling blocks is the lack of local expertise in order to plan, design, implement and maintain renewable energy technologies.

Due to the innovative nature of this field, higher education institutions are pioneers in this sector, both in terms of providing research and educating future employees. With the help of a EUR 1.19 million EU contribution, JELARE has incorporated renewable energy into existing research and study programmes as well as providing specialised undergraduate engineering programmes on energy and joint research. One of the final outputs of the JELARE partnership is a recommendation for improving the quality of education and research activities offered by partners and for strengthening their role in regional socio-economic development.

### **Citizens get involved in urban planning in Latin America**

A EUR 2.4 million contribution to a programme between the authorities of two European and five Latin American regions is improving social and territorial cohesion in Latin America. A greater participation by citizens in municipal and regional discussions on land management matters has both improved social cohesion and heightened the role of citizens in decision-making.

Two European regions: Toscana (Italy) and Provence Alpes Côte d'Azur (France) partnered five Latin American regions and municipalities: Viña del Mar (Chile), Centro Habana (Cuba), La Antigua (Guatemala), León (Nicaragua) and Regional Community Punilla (Argentina) in

---

<sup>56</sup> <http://jelare-project.eu/>

the programme which made use of innovative technology such as the Geographic Information System for Public and Participatory (GIS-PP) management. The respective management plans of all five municipalities have been approved.

### **Drugs consumption – a public health issue in Latin America**

The regional Cooperation Programme between Latin America and the EU on drugs-related policies (COPOLAD) initiated a project in 2012 to boost the knowledge of national drug observatories across the continent, making a contribution to improve public health.

Only Colombia, Peru and Bolivia produce coca but since all Latin American countries are transit points on various trafficking routes to North America and Europe, domestic consumption of drugs has become a public health issue in Latin America.

In partnership with the European Monitoring Centre for Drugs and Drug Addiction, the EUR 6 million programme organised in 2012 training workshops for staff – from some 19 Latin American and Caribbean countries – to improve the analysis of drug-related data and enable more effective and balanced scientifically-based drug policies.

### **Understanding the impact of climate change on societies and economies in Latin America (EU contribution: EUR 5 million)**

The EUROCLIMA Programme has developed a series of studies on the “Economics and Social Effects of Climate Change in Latin America”. The aim is to strengthen the capabilities of regional actors and generate useful information for decision-making in the region. Economic and social analysis of the impact of climate change is essential for designing efficient sustainable development strategies.

The studies show that agriculture and cattle husbandry are particularly climate-sensitive activities. In other words, changes in the climate have an impact on agricultural productivity, and as a result on the income of farmers. This is particularly significant in Latin America where much of the poverty is to be found in rural areas.

Concerning the methodologies for the analysis of climate change, the evidence indicates that quantifying the impact of climate change carries great uncertainty. Reasons are the long-term nature of change and use of diverse methodologies. Defining a baseline which allows for comparisons of the different scenarios is therefore fundamental. In addition, the aggregation of the impacts of climate change must be subject to a cost-benefit analysis in order to develop an optimal economic strategy.

In South America, the EU-FLEGT action plan, implemented in Brazil, Colombia, Ecuador and Peru, aims to reduce illegal logging and to improve forest governance.

The Commission supports the Latin American Centres of Excellence in the water sector (RALCEA - Red Latino Americana de Centros de Excelencia en Recursos Hidricos) in promoting multi-stakeholder dialogue, capacity building, institutional support and south-south cooperation. The JRC has facilitated Latin American policy makers and the Centres of Excellence in identifying sector needs in terms of research, higher education and capacity-building, as well as in implementing activities in the three identified priority axes: regional hydrologic balance, water quality and sanitation and stakeholder mapping and participation.



In May 2012, the Commission awarded financial support to the recently established European Union–Latin America and Caribbean Foundation. Created by Heads of State and Government at the 4th EU-LAC Summit in Madrid in 2010, the foundation aims to strengthen the bi-regional partnership while increasing visibility and discussing joint strategies.

The Latin American Investment Facility (LAIF) promotes additional investment in key infrastructure focusing particularly on transport, energy and the environment while supporting social and private sector development in the region.

In 2012 additional financial support through LAIF and Action 2 of the Erasmus Mundus programme was approved.

#### **Start-up for research on sustainable public transport in Latin America**

The EU has put in motion research on the obstacles to investment in sustainable public transportation in Latin America. With a EUR 3 million contribution from the Latin American Investment facility (LAIF), a first phase of eleven consultancy studies will examine the current weaknesses in public transport projects on the continent, covering issues such as town planning and the lack of available resources to construct transport infrastructure.

The aim of the studies – focusing on Brazil, Colombia and Mexico in a first phase – is to improve urban mobility and economic development through innovative projects which are both financially sustainable and environmentally friendly.

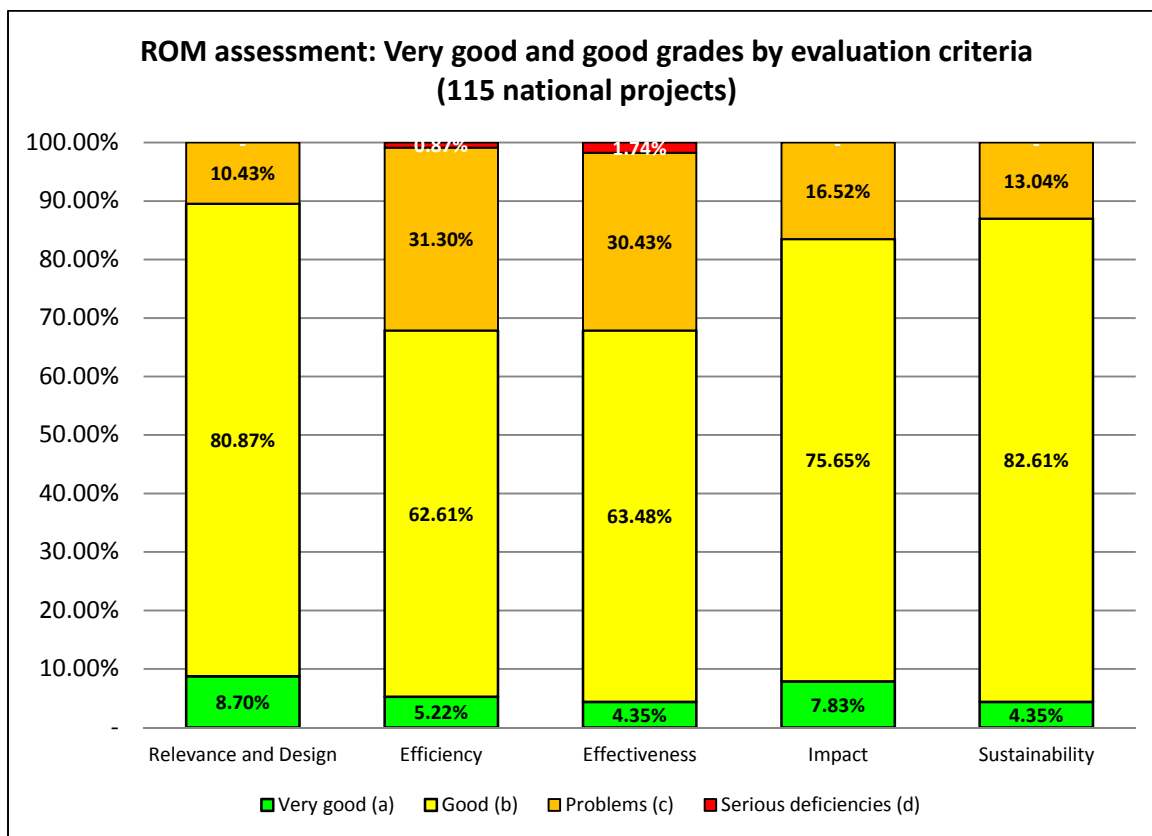
#### **Monitoring**

In 2012, 24 ROM missions (17 country missions, 3 regional programme missions and 4 SPSP missions) examined projects in 17 countries in the region (the Cuba mission being postponed to January 2013). A total of 154 ongoing bilateral, regional and sub-regional projects/programmes were monitored. Four SPSPs were monitored: in El Salvador, Peru, Ecuador and Guatemala.

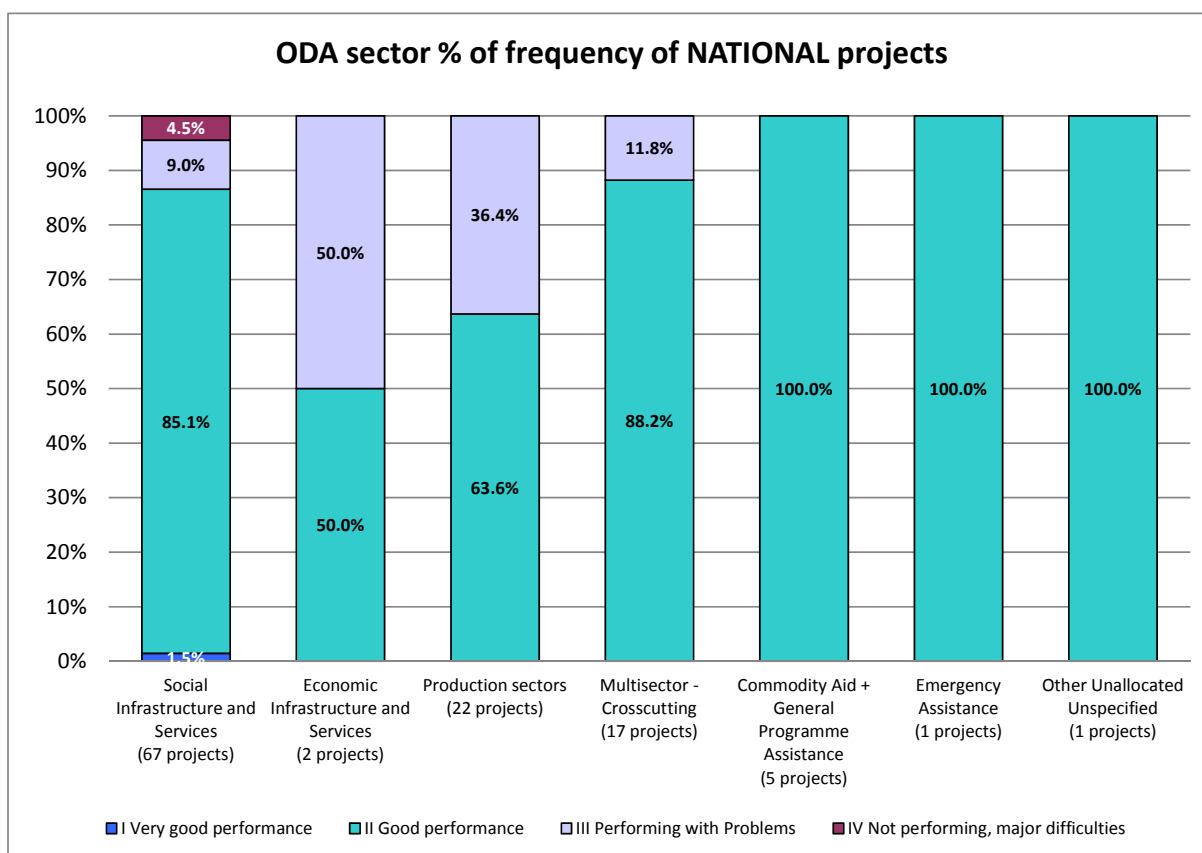
The total value of ongoing projects monitored amounts to EUR 814 million, which represents 57 % of the overall value of ongoing projects in the Region. In addition, a total of 44 completed projects/programmes were monitored *ex-post* with a total value of EUR 134 million.

As the table shows, 79 % of projects in Latin America are performing "well" or "very well" (categories I and II), while 18 % have some problems and 3 % experience major difficulties (categories III and IV). The percentage of projects doing "well" or "very well" has increased from 78 % in 2011 to 79 % in 2012. The number of projects facing difficulties fell from 22 % in 2011 to 21 % in 2012.

#### **Table 11:**



**Table 12:**



More than 80 % of the ongoing projects/programmes monitored in 2012 in Latin America have been positively assessed for relevance, impact and sustainability. However, concerning efficiency and effectiveness, the performance level reached 63 %. Amongst the reasons for lower performance levels with regard to efficiency and effectiveness are delays in the formulation and implementation of the programme-estimates, a weak original design without sufficient participation of local institutions or problematic institutional management arrangements. Relevance (sometimes obsolete because of changes of government priorities) and project design that was not revised, insufficiently focused and occasionally over-ambitious may also lead to a poor efficiency. Gender strategies are inexistent or poorly designed, objective verifiable indicators (OVIs) are not gender related.

## **Outlook**

Many Latin American countries have made considerable progress in the development of their economies, such as Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Uruguay and Venezuela.

In line with the "Agenda for Change" these countries will no longer benefit from bilateral EU development aid which will instead target countries in greater need of external support and where it can really make a difference, including fragile states. This implies that these countries would "graduate" out of bilateral development assistance.

In Latin America, the Commission proposal is that bilateral aid in 2014-2020 will focus on Nicaragua, El Salvador, Honduras, Guatemala, Bolivia, Paraguay and Cuba. Nonetheless, in many 'graduated' countries projects/programmes financed with DCI resources of the current programming period for 2007-2013 will continue until 2017 and beyond. Moreover, these countries will be able to benefit from other financial instruments such as thematic and regional programmes. The newly proposed Partnership Instrument is intended to target cooperation with middle income countries while other innovative ways of financing development – such as the blending of grants and loans – will be further explored.

As for regional programmes for Latin America, implementation is expected to progress as foreseen in the regional programming documents for 2007-13. Regional EU-Latin America programmes have continued to enable Latin American countries to benefit from cooperation in areas of mutual interest, as well as from the European experience in a wide range of areas. These include: higher education, enterprise networks, green energy, social policy, migration and security and development. New priorities for future regional programming will be identified for the 2014-20 programming cycle.

EU efforts to improve aid effectiveness and to promote dialogue between partner countries on policy development, consolidation and ownership will continue. Closer cooperation with the Member States will become a key element of the next programming cycle which will place more emphasis on joint programming in order to maximise the impact of EU development aid in the region. This will also help joint efforts to address crucial challenges for the region such as security (including citizens' security), good governance, climate change, energy and social protection.

The focal sectors of regional economic integration and regional security strategy were reinforced in 2012, particularly in Central America, reflecting the need to continue the EU support in these two areas. EU assistance in this field has been all the more important given that rising insecurity exacerbates the effects of poverty and hinders development.

This focal sector of institutional strengthening was needed to reinforce the capacities of the regional institutions to satisfactorily perform the sub-regional cooperation with Central America. The economic and trade sector has been able to support a wide range of stakeholders and sectors of the LA economy such as business and investment, climate, SME competitiveness, agriculture and tourism.

### **2.3.2. Caribbean**

#### **Introduction**

Relations with the Caribbean region during 2012 centred on following-up and finalising a number of initiatives launched in previous years. Pursuing and strengthening political dialogue with the region remained a priority, and a political dialogue between the EU and the Caribbean Forum of the African, Caribbean and Pacific states (Cariforum) took place in 2012.

The Joint Caribbean-EU Partnership Strategy, which was agreed in outline during the EU-Cariforum Summit in 2010, was finalised and adopted by Cariforum and the EU and Member States in November 2012.

In the areas of trade and cooperation, implementation of the EPA gained momentum with the organisation of the second trade and development committee in Port of Spain and a ministerial council in Brussels; the establishment of EPA implementation units in Cariforum states as well as continued efforts towards optimising the EPA's impact at national and regional levels.

Finally, the Caribbean Investment Facility was established which will be officially launched in March 2013.

The EU and Cuba continued to cooperate in post-hurricane reconstruction and rehabilitation, notably after the damage caused by Hurricane Sandy. Food security, climate change and renewable energies, culture and education were other areas of cooperation. A more general reflection on the future shape of EU-Cuba relations and the possibility to accompany the reforms was pursued.

In 2012 in Haiti, the EU continued to provide assistance to support the country's recovery. Delivery of humanitarian aid continued to alleviate the living conditions of people displaced by the earthquake, to fight the cholera epidemic and to cope with the consequences of tropical storms Isaac and Sandy. The visits of Commissioner Piebalgs to Haiti in March 2012 and of President Martelly to EU institutions in November underscore a renewed and strengthened dialogue in both cooperation and political fields. The EU has welcomed the political and administrative reforms launched by President Martelly and the new government under PM Lamothe, which should bring about a consolidation of democracy as well as a more effective utilisation of EU and international aid.

#### **Aid effectiveness and donor coordination**

At local level, EU Delegations in the Caribbean participate in and/or lead donor coordination with EU Member States and other development partners present. In certain thematic areas/sectors, specific donor coordination mechanisms exist. In most countries there are only

a few donors present. Even so, the Delegations are discussing in EU cooperation meetings in places such as the Dominican Republic the prospects for improving the coordination of policies, the harmonisation of procedures for programming as well as alignment on the country's cycles, systems and procedures. In the Dominican Republic, during the first half of 2012, the Delegation successfully used the EU Code of Conduct in the field of cooperation, by agreeing joint analytical approaches to education and drugs control with the Spanish development cooperation agency AECID.

#### **Haiti's new donor coordination mechanism**

Haiti's new aid framework to organise and implement plans for the country's recovery, following the earthquake of January 2010, has been welcomed by donors. It is expected to lead to greater coordination between government and the various entities – donors, civil society and the private sector – contributing to the country's continuing rehabilitation. Launched in November 2012, the high-level 'Cadre de Coordination de l'Aide Externe au Développement d'Haïti' – chaired by the Haitian Prime Minister – brings together the key national and international entities involved and gives the Haitian government a greater degree of ownership over the recovery process. At the operational level, it assembles national ministries and the local representatives of donors, replacing the Interim Haiti Recovery Commission (IHRC). Set up in the immediate aftermath of the earthquake, it is expected to improve the impact of aid.

At the regional level, the Commission continues to urge the Caribbean Forum of ACP States to enhance donor coordination. The Caribbean Community Secretariat (Caricom) has endorsed the Busan Partnership for Effective Development Cooperation. While it did not organise a coordination meeting in 2012, it has committed to holding one in the first six months of 2013.

The regular high level dialogues between the EU and CELAC on drug control and migration issues continues to play an important role, including by facilitating coordination and cooperation on relevant EU-funded projects.

#### **Working towards the MDGs**

Caribbean countries have been making fairly good progress towards most of the MDGs. However, the progress achieved in the region has been mixed and unevenly distributed between and within countries, with some targets still off-track.

As part of the EU MDG Initiative for ACP countries, additional funding of EUR 20 million has been made available to Haiti.

#### **MDG programme to boost food security in Haiti**

The EU is helping Haiti to tackle food insecurity and, in particular, malnutrition of infants. Launched in November 2012, the EUR 20 million programme will increase production, processing and marketing of food. Some four million Haitians (of a total population of 10 million) suffer from a lack of access to food. The programme is part of the Haitian Government's food sovereignty strategy to increase agricultural production, lessen food security and improve the population's nutrition.

The programme will support, in particular, local producers and invest in agricultural infrastructure in all regions of the country: North-East, North-West, Centre, Artibonite and the South. It aims to boost production, quality processing and packaging at competitive prices to supply local markets and meet the needs of social services such as community centres, hospitals and orphanages. There will be special emphasis on tackling malnutrition in infants of less than 60 months, by increasing the capacities of basic health centres to provide quality services.

The high maternal and neonatal mortality rates in a number of Caribbean countries reveal the poor performance of national health systems and the urgent need to invest in better access and to reinforce the quantity and competence of health workers

### **Reducing maternal and child mortality in Jamaica**

Two of the MDGs of most concern to the country are child mortality (MDG 4) and maternal health (MDG 5). The EUR 22 million Reduction of Maternal and Child Mortality (PROMAC) programme - financed by the EU's MDG initiative - is improving both maternal and infant healthcare.

Under PROMAC, the EU is working with the country's national authorities to improve the quality of services in hospitals and primary health centres providing maternal and infant care. It is also improving the capacities of the public entities responsible for these specialised areas, as well as giving information and advice on maternal and infant care to the public at large.

Neonatal mortality accounts for 65% of all deaths of infants under five in Jamaica. Although the country's maternal mortality ratio has stabilised over the last decade, at around 100/100 000 live births, it is well above the MDG 5 2015 target of 25/100 000 live births.

## **Implementation & results**

### **Bilateral cooperation**

In 2012, EUR 486 million was committed in the Caribbean region from the various cooperation instruments managed by the Commission. Five Annual Action Programmes were approved under the 10th EDF, totalling EUR 29 million. Nine other financial decisions were adopted totalling EUR 106 million. Guyana and Jamaica also benefited from sugar accompanying measures financed under the EU budget to increase the competitiveness of their sugar industries following the reform of the EU sugar market. In 2012, these two countries received nearly EUR 28 million in commitments.

Although generally speaking budget support remains a very important implementation modality in the region, in 2012 only 32 % of all approved programmes are operations implemented in this way.

Payments totalled EUR 319.8 million in 2011 for the Caribbean countries and OCTs. As regards the EDF, Caribbean disbursements were EUR 126 million. Moreover, in 2011, the Caribbean received EUR 64 million under the Special Framework of Assistance for Traditional ACP Suppliers of Bananas. These funds contribute to the diversification of local economies the seven beneficiary countries (Belize, Dominica, Grenada, Jamaica, St. Lucia,

St. Vincent and the Grenadines and Suriname) to cope with the effects of the changes in the banana market.

2012 was a successful year for bilateral development cooperation between the EU and the countries in the Caribbean region, both in terms of payments under existing as well as in the adoption of new programmes.

As regards total payments (budget support and projects/programmes combined) provisional figures show that disbursements under the EDF for the Caribbean region reached EUR 210 million in 2012. Eligible countries also benefitted significantly from payments under the Sugar and Banana accompanying measures (payments of EUR 63 million and EUR 13 million respectively) and some countries benefitted from thematic programmes. Cuba continues to be eligible for disbursements under the EU's DCI.

As regards budget support, the effects of the global economic crisis translated into difficulties in meeting the EU's strict macroeconomic stability criteria and a number of larger countries met delays either with new commitments or with tranche disbursement. However, a number of key disbursements (i.e. in favour of Haiti, the Dominican Republic and Guyana) could be carried out at the end of the year.

As far as new programmes (commitments) are concerned, progress in 2012 was good; both under the budget and the EDF.

### **Sugar and banana accompanying measures**

2012 was the penultimate year for financial allocations to be made under the accompanying measures for sugar and banana producing countries, from which a number of Caribbean countries have benefitted over recent years. The last allocations will be in 2013.

Funding decisions for a total amount of EUR 93.4 million were taken for sugar accompanying measures in Caribbean countries in 2012, with the following breakdown by country:

Barbados	13 456 000
Belize	12 003 000
Guyana	23 355 000
St Christopher and Nevis	12 925 000
Trinidad and Tobago	31 724 000

Commission decisions under banana accompanying measures for Caribbean countries were taken for an amount of EUR 79.2 million in 2012, with the following country breakdown:

Belize	13 280 000
Dominica	15 270 000
Dominican Republic	16 340 000
Jamaica	4 730 000
St Lucia	10 350 000
St Vincent & the Grenadines	9 930 000
Suriname	9 300 000

The corresponding sugar and banana sector support programmes will be implemented over the coming years.

With respect to **Cuba**, the 2012 AAP - which contains support for food security and an exchange programme in support of Cuba's economic reforms - successfully passed the DCI Committee. With the adoption of the 2012 AAP, 100 % of the National Indicative Programme (NIP) for Cuba has now been committed. Cuba continues to obtain very high scores in results oriented project monitoring.

Regarding **Haiti**, the 2012 AAP, which included the programme on food security of the MDG initiative successfully passed the EDF Committee and was adopted. In addition, the ongoing housing programme was almost doubled in 2012, now totalling EUR 46.5 million. These additional allocations to the food security and housing sectors underscore increased efforts towards Linking Relief, Rehabilitation and Development.

On 24 October 2012, Hurricane Sandy caused severe wind and rain damage to the island of **Jamaica**. There was particular devastation on the banana and plantain producing eastern section of the island, with an average of 95 % damage to the crop in the most severely affected parishes. In response to a request from the Ministry of Agriculture, the EU proposed to assist farmers restore production in the shortest time possible by providing fertilizers for rapid crop growth and insecticide to reduce borer infestation, which tends to surge dramatically in the wake of hurricane damage.

The 2012 AAP in support of the education sector in the **Dominican Republic** has been approved. Only one programme in support of LAs/NSAs remains to be adopted in early 2013 in order to achieve 100 % commitment of the NIP. Budget support payments were on hold temporarily as a result of threats to macro-economic stability. However, since the new government took up office and quickly announced fiscal reform and austerity measures - as well as starting immediate negotiations with the IMF - the outlook for budget support operations in the Dominican Republic are again favourable.

### **Regional cooperation**

The 10th EDF Caribbean Regional Indicative Programme, signed in November 2008, focuses on deepening regional integration, achieving maximum benefits from the EPA and mitigating potential adverse effects of the resulting adjustment process. Programmes for the amount of EUR 81 million to support the establishment of the Caribbean single market and economy, the implementation of the economic union of the Organisation of Eastern Caribbean States as well as to assist Cariforum with the implementation of the EPA measures and the Financing Agreements were signed in March 2012. By the end of the year the vast majority of the components of each programme had been contracted and first payments made. Progress was also made with the institutional discussion of the EPA through a series of meetings culminating in the joint Cariforum-EU Council meeting, which was held in Brussels on 26 October 2012.

Two new programmes under the Caribbean Regional Indicative Programmes were decided in 2012: EUR 2 million to support the Caribbean Regional Information and Translation Institute (CRITI) which services *inter alia* official Caricom and Cariforum agencies, and EUR 1.51 million to the newly-created Caribbean Public Health Agency (Carpha) which merges five formerly autonomous health agencies.

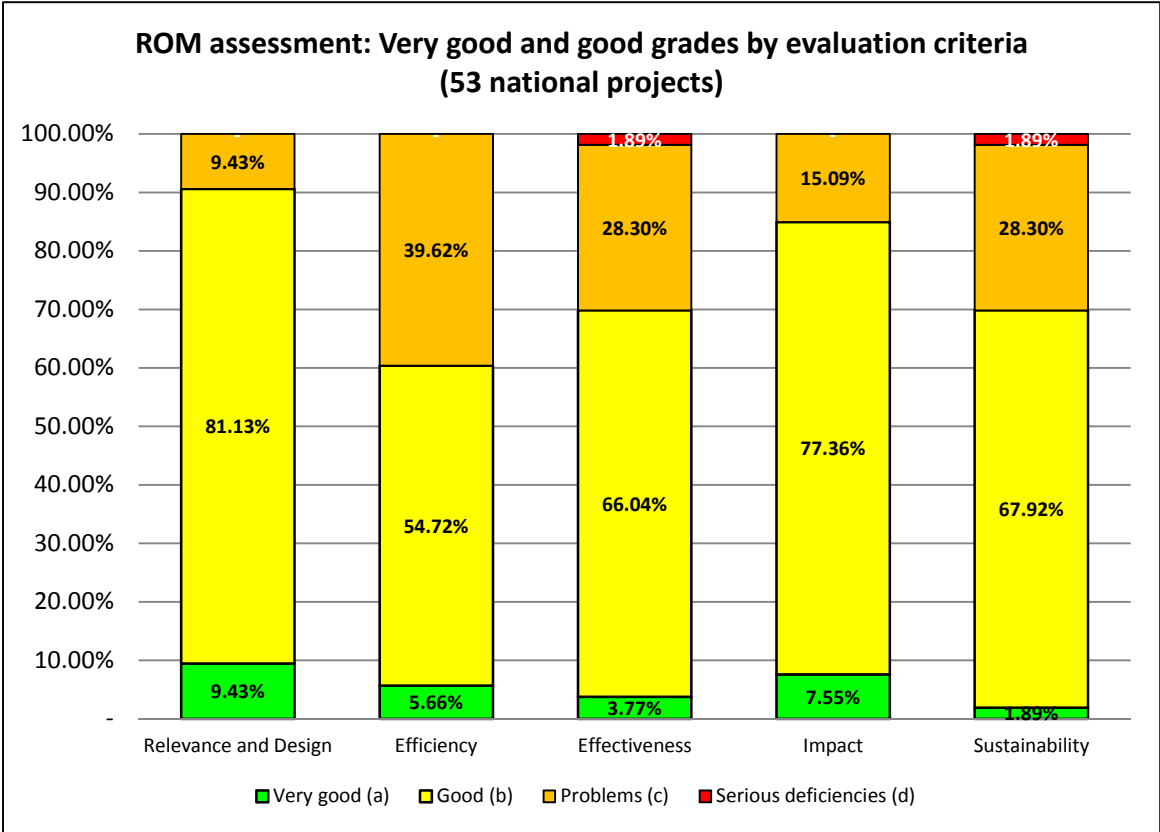


**Monitoring**

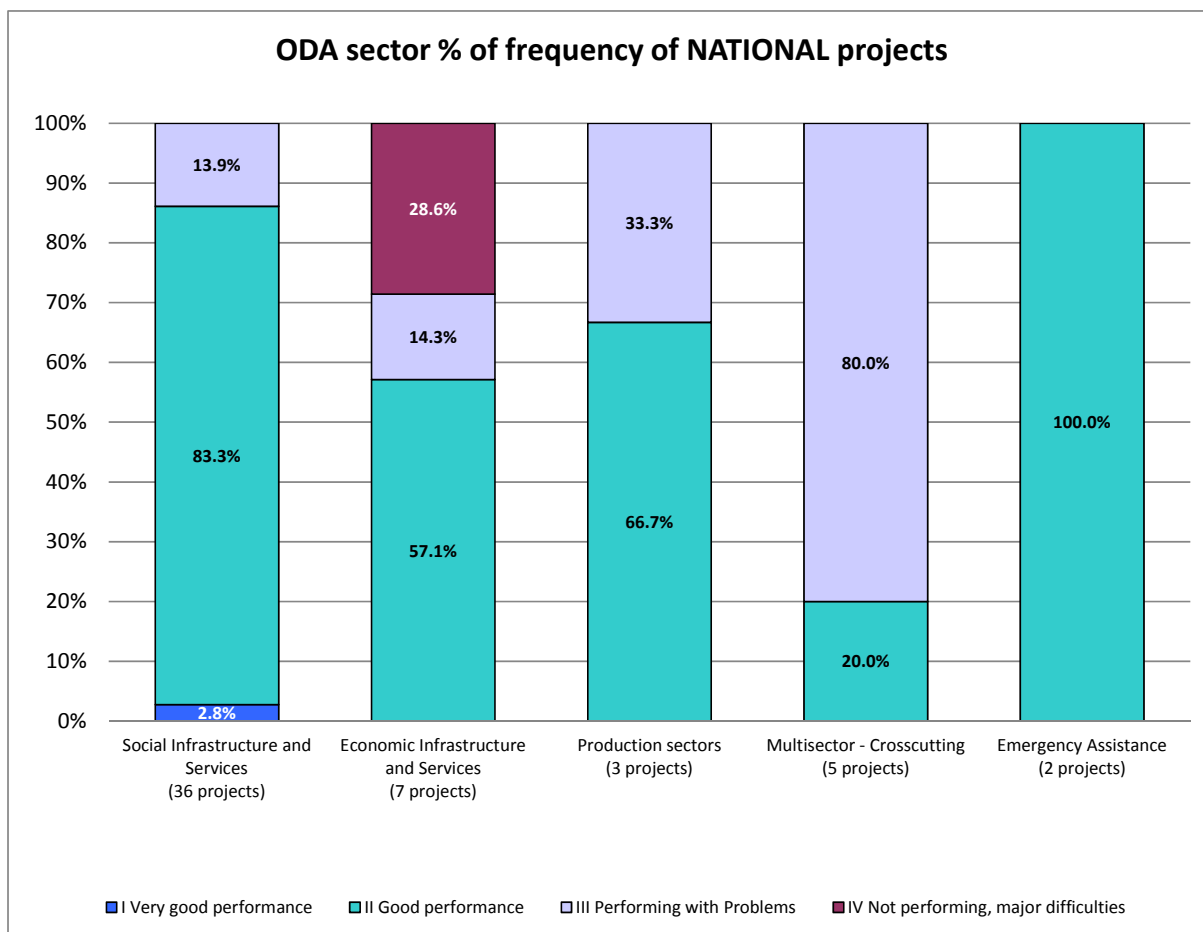
In 2012, seven ROM missions examined projects/programmes in 18 countries in the Caribbean region, producing 88 ROM reports. A total of 53 on-going projects/programmes, nine *ex post*, five SPSPs, 19 regional projects/programmes and two country components of ACP projects/programmes centrally managed, were monitored. The total value of ongoing projects/programmes monitored amounts to EUR 319.5 million, representing 54.83 % of the overall value of ongoing projects in the region. In addition, a total of nine completed projects with a total value of EUR 149.1 million were monitored *ex post*.

As the tables below show, in 2012, 75.47 % of ongoing national projects/programmes in the Caribbean were performing "well" or "very well", while 20.75 % have some problems and 3.77 % experience major difficulties. The percentage of projects/programmes doing "well" or "very well" has increased from 65.12 % in 2011 to 75.47 % in 2012. The number of projects/programmes facing difficulties decreased from 33.89 % in 2011 to 24.52 % in 2012. However since the projects/programmes are not the same this does not mean that the portfolio performance as a whole is improving.

**Table 13:**



**Table 14:**



Ongoing projects monitored in 2012 show that 90 % have scores of "good" or "very good" for relevance and quality of design and 85 % for impact. Regarding sustainability, 70 % of projects have been scored as "good" or "very good". Efficiency and effectiveness are found to be "good" and "very good" in 60 % and 70 % of projects respectively. The most common reasons for persisting problems in efficiency remain late start of implementation units due to delays in contracting staff, and lack of experience in EU procedures which affects procurement.

## Outlook

Given the fact that 2013 is the last year for new commitments under both the 10<sup>th</sup> EDF and the DCI (including Sugar and Banana accompanying measures), it can be expected that important discussions on the future of development cooperation will be held until the end of the year.

These discussions will be taken forward in accordance with the relevant provisions of the Cotonou Agreement (2000-20). This 'programming' process will lead to negotiations and the drafting of new NIPs as well as of the new Caribbean Regional Indicative Programme.<sup>57</sup> These documents will lay out the areas of cooperation for the coming years.

<sup>57</sup> The focal sectors of cooperation under the RIP are likely to be influenced by the "Joint Caribbean-EU Partnership Strategy", adopted in November 2012.

The upcoming programming discussions will likely be guided, on the EU side, by the Agenda for Change. This could lead to a downward adjustment of bilateral envelopes for some middle-income countries in the Caribbean region and elsewhere.

A significant share of EU aid to the Caribbean region is delivered in the form of budget support, which combines financial transfers to government budgets with policy dialogue, performance assessment and capacity building. The EU aims at strengthening the contractual partnerships with beneficiary countries of this instrument, with the objective of increasing efficiency and effectiveness of budget support in achieving development results. The resulting new budget support guidelines bring new challenges for traditional beneficiaries of this instrument, and these factors too should be taken into account during the programming process.

One key priority for the year will be to ensure that new initiatives and, where appropriate, budget increases, are prepared sufficiently early to ensure that the region can draw maximum benefit from available funds.

## **2.4. Asia, Central Asia & the Pacific**

### **2.4.1. Asia**

#### **Introduction**

The EU was particularly active in Asia in 2012, with an unprecedented series of high-level meetings, visits and summits culminating in the 9th ASEM Summit in Laos in November. Good progress was made on Framework Agreements, Partnership and Cooperation Agreements and Free Trade Agreements with several Asian partners. Meanwhile the EU continued to engage with regional organisations, with a strong focus on the Association of South-East Asian Nations (ASEAN). A new EU-ASEAN action plan focusing on sustainable development and inclusive growth for 2013-17 was agreed.

The EU also accompanied key developments in ASEAN countries. In the **Philippines**, particular emphasis was put on conflict-affected Mindanao where the EU supported the peace process as well as community development. During the second half of 2012, the EU and its Member States closed large parts of their successful cooperation with Indonesia in the areas of disaster management and conflict resolution. A successful consolidation of peace in the province of Aceh contributed to sustainable outcomes and ensured that the impact of the donor community's efforts will continue to be felt beyond 2012. The lessons learned are informing new post-disaster and post-conflict recovery models in other parts of the world. In **Myanmar/Burma**, the EU doubled its assistance for 2012-13 to a total of EUR 150 million in support of ongoing reforms as well as projects in health and education. Commissioner Piebalgs visited in February to assess the ongoing reforms and encourage their continuation. HR/VP Ashton formally opened the new EU office in Yangon during her visit in April. In September, the EU launched procedures to reinstate the General System of Preferences (trade) that will help Myanmar/Burma to expand exports to Europe. Inaugurated by President Barroso in November 2011, the Myanmar Peace Centre - which plays a pivotal role in the ethnic peace process - received EU start-up funding.

The year 2012 saw major progress in relations with **Pakistan**. Of particular note was the launch of the EU-Pakistan strategic dialogue in June 2012 during a visit by the HR/VP to Islamabad. This dialogue is based on a new political framework - the EU-Pakistan 5-Year

Engagement Plan - which was endorsed by the FAC on 23 January. The plan aims to improve EU coordination with Pakistan and expand relations to include: security, democracy, governance, human rights, socio-economic development, trade, energy and a number of other sectors. The political situation in Pakistan remained tense, with the government engaged in a three-way political struggle between the executive, the judiciary and the military. 2012 also saw preparations for the general elections expected between March and May 2013. The EU fielded a fact finding mission from 18 October to 6 November in order to evaluate whether the deployment of an EOM would be useful, feasible and advisable. Pakistan continues to face serious economic challenges, including an energy crisis. Although there has been progress in the field of human rights legislation, serious human rights problems remain. These derive from a range of factors in part related to the country's weak state institutions and the growth of extremism. Government and security forces struggled to contain a wave of sectarian violence targeting Shias and other minorities in 2012. Council conclusions on Pakistan in June 2012 underlined EU commitment to support Pakistan both pre- and post-elections, but also EU concerns with the need for Pakistan to intensify efforts towards political, economic, fiscal and energy reform.

In **Afghanistan**, the first three phases of the transition process have been completed, with more than 75 % of the population now under the control of the Afghan government. In May, the FAC reiterated the long-term commitment of the EU to Afghanistan, pledging to at least maintain levels of assistance post-2014 and to support Afghan efforts to strengthen civilian policing and the rule of law. These commitments formed the basis of the EU's undertakings at the sequence of international conferences held in Chicago, Kabul and Tokyo. These conferences put in place a comprehensive international framework in support of increased security and development in post-transition Afghanistan. Furthermore, negotiations began on a long-term Cooperation Agreement on Partnership and Development which will provide the legal underpinning of the EU's future engagements.

The EU has expressed concern about political violence in **Bangladesh** and continued its dialogue with the government on health and safety issues in factories serving the EU market. The treatment of Rohingya refugees from Myanmar/Burma was also raised at a number of occasions.

The EU co-sponsored a resolution at the UN Human Rights Council in March calling upon **Sri Lanka** to present a comprehensive action plan for implementation of the recommendations of its own Lessons Learnt and Reconciliation Commission. Human rights issues were also brought to the Human Rights Council Universal Periodic Review in November and the EU continued to monitor these developments carefully while considering options for improved cooperation in a number of technical areas.

The **Maldives'** young democratic system was severely tested in 2012. After weeks of opposition-led protest and a mutiny by the Police Force and the Maldives National Defence Force (MNDF), the first democratically elected President, Mohamed Nasheed, resigned in February. He was replaced by former Vice President Dr Mohammed Waheed Hassan who took over as caretaker President. The EU called upon the leaders of political parties to engage in a process of political dialogue.

Further tuning of development cooperation with **Mongolia** took place in 2012, which took into consideration the social and economic changes brought about by the development of mining industries. Focus was on economic development and diversification with an emphasis

on vocational training for rural development and support for public sector to modernize through, among others, introducing EU norms and standards. These areas support the government strategy on economic development together with the goals of inclusive and sustainable development identified in the Agenda for Change.

The 12th **India**-EU Summit held in New Delhi on 10 February 2012 confirmed both parties' will to strengthen and re-balance the political and security dimensions of their strategic partnership. Since the adoption of the Joint Declaration on International Terrorism in 2010, security cooperation has progressively moved to the forefront of the agenda; the 6th EU-India Security Dialogue was held in Brussels on 25 October; the 2nd Cyber Consultations took place in Delhi on 26 October; a practitioners' workshop on counter-terrorism, co-hosted by Europol and Eurojust, was held in The Hague on 11 and 12 December and the 4th EU-India forum on effective multilateralism took place on 23 and 24 October in Brussels.

The EU-**China** Strategic Partnership was reconfirmed by the intense dialogue and cooperation and two summits as well as the Urbanisation Partnership, People-to-People Dialogue, and the High Level Dialogue on Energy Security.

EU cooperation has remained focused on providing support for China's reform programme which includes strengthening the rule of law and addressing domestic and global concerns such as the environment, energy and climate change.

Existing energy projects, such as the Europe-China Clean Energy Centre, the Institute for Clean and Renewable Energy and Switch Asia, have delivered results in several areas and regions. Similarly, the EU-China Trade Project has been instrumental in supporting the Chinese administration on grid standardisation issues. An agreement to launch a project encompassing emissions trading systems, green growth and waste management was signed. Thanks to their strengthened partnership, the EU and China moved to a higher level of commitment and held the first High Level Dialogue on Energy Security in 2012 between EU Member States and members of China's national energy commission.

The EU and China have launched a High Level People-to-People Dialogue (HPPD), as the third pillar of EU-China cooperation. It aims to improve cooperation in education and training, culture, multilingualism and youth as well as to bring about a common understanding by increasing contacts between citizens of both sides.

### **Aid effectiveness and donor coordination**

As relations with Asia rapidly evolve, the EU is seeking to improve aid effectiveness by concentrating activities in each country on a maximum of three sectors, while focusing on the countries that are most in need.

In **Afghanistan**, the EU is contributing to reducing aid fragmentation while increasing coherence, harmonisation and coordination between donors and the Ministry of Public Health. In this context system enhancement of "health action in transition" will increase access to healthcare services by covering almost 50 % of the Afghan population in 21 provinces, as well as in Kabul city, while ensuring services are delivered in a more coherent manner.

The government and donors coordinate closely in **Bangladesh** and have elaborated a Joint Cooperation Strategy which provides a division of labour and lays out guidelines on effective EU collaboration so as to achieve key development outcomes.

The EU proactively promoted aid effectiveness in **Nepal** in a number of policy dialogue fora on peace and stability, education and public finance management. In summer 2012 the EU launched the long-term commitment to Nepal for the period 2014-20 and a consensus was reached on the three potential areas of assistance: education, rural development and governance.

In **Pakistan**, the EU is actively seeking structured donor coordination and providing synergies and complementarities of activities in education, PFM and human rights. Political relations are increasing in prominence since the launch of a strategic dialogue in June 2012. Both the government and opposition leaders have expressed interest in EU election observation assistance in forthcoming elections in 2013.

**Vietnam** is one of the most active partners in implementing the Paris and Accra agendas and the EU is the lead facilitator on the ground. The Vietnam Partnership Document, which aimed to adjust the Busan commitments to a country context, was finalised in 2012. The EU actively supported its preparation by co-chairing the Aid-Effectiveness forum alongside the Vietnamese Ministry of Planning and Investment.

### **Working towards the MDGs**

While Asia has seen good regional progress in areas such as poverty reduction (MDG1) and gender parity in education (MDG3), progress has been slower in other areas, notably health. In a context in which significant internal wealth disparities persist and large scale deprivation remains a challenge, the donor community should focus on improving healthcare and basic services to lower mother and child mortality rates as well as reducing hunger.

**Afghanistan's** health indicators are among the world's most troubling. Nonetheless, the health sector has shown considerable progress in the last decade with access to primary health care services increasing to around 65 %. Such progress is largely due to the implementation of the government-led Basic Package of Health Services and an Essential Package of Hospital Services implemented by NGOs and funded by the EU, USAID, and the World Bank.

**Bangladesh** has made consistent progress with respect to life expectancy and child and maternal mortality indicators in the human development index. It has also performed well in agricultural production and has achieved a food surplus. Furthermore, poverty levels have gone down 2 % every year and EU aid is helping to improve primary school completion rates as well as the quality of education.

In the **Philippines**, EU support to the health programme has resulted in the expansion of health insurance benefits and a significant increase in the availability of medications, particularly for the poor. 85 % of Filipinos are already insured, a figure which includes the poorest 40 %. There is mixed progress on the health-related MDGs: while maternal health remains a challenge, the reduction of child mortality is on track. The adoption of the Reproductive Health Bill calling for government-funded contraception and improving reproductive health, was a major political breakthrough supported by EU policy.

### **Implementation and results**

A key moment for **Afghanistan** in 2012 was the Tokyo Conference in 2012. Alongside the Afghan government, this was attended by numerous high-level international stakeholders, including Commissioner Piebalgs. The Conference reaffirmed respective commitments and mutual accountability. In turn, the international community reaffirmed its commitment of aligning 80 % of aid with the national priority programmes and channeling at least 50 % of its development assistance through the national budget.

During 2012, total EU health and social protection support amounted EUR 185 million. The EU continued its engagement in rule of law, with particular emphasis on policing. Afghanistan is also benefitting from thematic lines of support in areas such as human rights, civil society and food security. Regional programmes are contributing to border management, counter-narcotics and supporting uprooted people.

In **Bangladesh**, 2012 saw the approval of two major programmes, bringing the total commitment of the 2011-13 Multiannual Indicative Programme to EUR 178 million (90 % of the total). The food security programme aims to fund further development of safety nets in line with the new Food Security Country Investment Plan while the Poverty Reduction through Inclusive and Sustainable Markets project aims to enhance the competitiveness of cottage industries and small businesses to provide increased job opportunities for poor households in targeted areas.

In **Bhutan**, EU support continued in 2012 to facilitate the ongoing process of decentralisation, democratisation and political change in the country. The funding was provided as budget support and will contribute to the existing multi-donor-supported Local Governance Support Programme which aims to strengthen and empower local governance delivery.

In **China**, the EU continued to focus on strengthening the mutually beneficial cooperation and policy dialogue on the environment, energy, education, governance, trade and economic development. The EU supports China's transition to a low carbon economy, and a partnership on sustainable urbanisation was launched in 2012. The highly pertinent EU-China Low Carbon and Environment Sustainability Programme aims to strengthen cooperation and dialogue on climate change, water, waste management and heavy metal pollution as well as assisting Chinese cities in adopting energy and resource-efficient ecological solutions. The EU-China Innovation Cooperation Dialogue was launched at the EU-China Summit in September. A first preparatory seminar took place in November with the view of organising the first High Level Dialogue in 2013.

EU support to the **Maldives** contributed to remarkable progress made in the fight against drugs in 2012. A EUR 1.5 million action, in partnership with UNODC, provided key assistance in the establishment of the National Drugs Agency in January. This body is effectively overseeing and coordinating the design and the implementation of drug control activities with particular focus being paid to reducing and preventing the negative impact of illegal drugs on youth. Other substantial results include: the first ever drug survey in the Maldives; the approval of a law introducing a non-repressive health focus into the drug control policy and the establishment of drug courts – the only examples in South Asia. Broad support for capacity building exists within the ministry of health and NGOs across a number of islands to enable outreach of counsellors and peer educators to reach those in need of drug treatment.

The EU is supporting the remarkable political and economic transition taking place in **Myanmar/Burma**, suspending restrictive measures in May 2012. The Commission has now fully engaged with the government on development cooperation, which has more than doubled in value and expanded in scope. Projects in the interim period have focussed on areas such as health, education and food security. One EU co-funded project (EUR 1.29 million) in the townships of Dala and Seikyi Khanaungdho aims to help reproductive, maternal and child health, access to safe water and improving the livelihoods of uprooted people. Another project focuses on food security in North Rakhine State, one of the most densely populated and poorest states in Myanmar/Burma, a state which also witnessed violence between the Buddhist and Muslim communities in 2012. The EU funded project for EUR 8 million supports the livelihoods of the poorest people as well as improving water and sanitation infrastructure in villages. It complements the Commission's humanitarian interventions. The 3rd ASEAN-EU dialogue meeting on science and technology took place in Myanmar/Burma in the scope of the 'ASEAN-EU Year of Science, Technology and Innovation 2012'. Under this initiative, more than 50 events took place in thirteen different countries, involving more than 40 different institutions from both regions.

In February 2012, Commissioner Piebalgs visited Myanmar/Burma and announced a package of EUR 150 million in support of the country's democratic reforms and ethnic peace, designed to bring about inclusive sustainable growth and development for the whole population. This package, of which EUR 100 million has already been committed at the end of 2012, builds on existing support to health, education, and livelihoods, but also supports government capacity building, the ethnic peace process and trade measures.

In 2012, a programme for tackling climate change through sustainable forest management and community development in the **Malaysian** state of Sabah was approved. The programme is designed to enhance the institutional capacity of the government in Sabah and to develop the systems and tools needed to implement the "Reducing Emissions from Deforestation and Forest Degradation" (REDD+) Strategy. In preparation, pilot projects strengthen community engagement in forest protection and pro-poor sustainable forest management.

In **Nepal**, the EU continued its assistance to the education sector through SBS. Assistance to stability, peace consolidation and governance was also continued through the support to the electoral process via a programme financed through UNDP. In addition, the EU financed a EUR 10 million project to enhance public finance management at the 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 2012, projects related to the EU food facility and renewable energy were successfully completed. The Building Climate Resilience programme, funded under the Global Climate Change Alliance (GCCA) with contributions from Cyprus and DFID, launched activities in February.

Three new projects were approved in **Pakistan** in 2012. A major sector budget support programme will improve service delivery, economic growth and local governance by promoting community-driven development in Khyber Pakhtunkhwa. A second initiative will contribute to improving transparency and accountability by supporting public financial management reforms at the federal and provincial levels, while a third will strengthen parliamentary institutions and federal and provincial authorities to promote democracy and human rights, with particular attention paid to women, children and ethnic minorities.

A joint declaration on research and innovation was signed at the EU-India Summit in February, launching a new Indo-European Partnership with larger scale, scope and impact and



enhanced synergies between India, the EU and its Member States. It also called for Indian and European stakeholders to define a shared strategic research and innovation agenda. Coordinated calls in the field of water research were completed in 2012 with a total budget of EUR 32 million co-funded by the Commission and the Indian authorities.

In the **Philippines**, the EU's support focuses on the health sector, governance, trade and providing assistance to vulnerable populations, specifically in Mindanao. In 2012 the Framework Peace Agreement, a landmark document which sets a roadmap towards the final peace agreement in this conflict-affected region, was signed. EU targeted and thematic assistance to Mindanao continued with progress not only in peace building and conflict resolution, but also in improving livelihoods, restoring community infrastructure and in the return and recovery of internally displaced people.

In **Vietnam**, a EUR 16 million project for trade and investment began in July 2012. The continuation of a successful aid programme concluded in June, this project confirms the EU's intention to help Vietnam promote pro-poor economic growth through greater integration into global and regional trading systems. Furthermore, negotiations between the Commission and the Ministry of Health have started. These are expected to lead to the approval, in 2013, of a major budget support operation aimed at improving health services delivery to the poor, supporting the provision of universal health coverage and ensuring an overall improvement to health system management.

#### **Irrigation scheme benefits 50 000 Afghans**

EU support for improved water resource management in Afghanistan has benefited some 50 000 people thanks to the completion of the rehabilitated Khanabad Irrigation Scheme. Modernisation of the Khanabad River's main barrage and its secondary canals has led to the irrigation of 35 000 hectares for agricultural land and greatly reduced the risks of damage caused by unregulated flows.

#### **Improved access to justice for disadvantaged in Bangladesh**

The EUR 10 million Village Courts Support Programme has greatly increased access to justice systems at the local level for disadvantaged groups in Bangladesh, including women and the poor. A total of 20 966 cases had been recorded in the village courts by July 2012, of which 14 891 were resolved. The 338 fully functioning village courts issued a total of 11 176 rulings and awarded compensation amounting to EUR 352 280.

#### **Dramatic increase in primary enrolment rates in Bangladesh**

Total enrolment in formal primary education of children aged 6 to 10 years has increased by 2.32 million since 2010, with the primary completion rate rising from 49.5 % in 2007 to 70 % in 2011, thanks to a EUR 54 million budget support programme to improve primary education in Bangladesh. The programme, which boosts implementation of the national education policy, also saw progress being made in most of the 14 key school performance and quality indicators. The first fixed tranche of EUR 4.5 million was paid in 2012.

#### **360 schools rebuilt in conflict-affected areas of Pakistan**

Around 360 schools in conflict-affected areas of Khyber Pakhtunkhwa were rebuilt in 2012 in fulfilment of an agreement between the government of Pakistan and the EU. The distribution of free textbooks to all primary and secondary schools, as well as improvements in the teacher/pupil ratio, led to the release of a tranche of EUR 11 million - the third of a EUR 35 million budget support programme. The programme, approved in 2009, aims to improve the delivery of quality education services in Khyber Pakhtunkhwa where 50 % of the population were illiterate in 2011 and almost 3 million children miss out on basic education - 2 million of which are girls.

### **Rebuilding programme to help 4 000 displaced families**

In late 2012, the EU and UN-Habitat signed an agreement to help 4 000 displaced families in North and East **Sri Lanka** to rebuild permanent houses in their villages of origin. Learning from past and ongoing housing projects, construction takes place on the basis of the "Owner-Driven Housing Reconstruction" strategy whereby owners are granted the funds and contribute their labour, time and resources under the technical supervision of implementing agencies (ASB, UN-Habitat and SDC). Priority will continue to be given to households most in need.

### **Monitoring**

The 2012 monitoring exercise covered a total of 236 projects of which 179 were in Asia and 57 in Central Asia. The total value of projects monitored this year amounts to EUR 894 million representing a decrease of 25 % compared with 2011 (EUR 1 207 million) and a decrease of 34 % compared with 2010 (EUR 1 371 million). The main reason for the lower number of projects monitored in 2012 when compared to 2011, is the non-inclusion of Afghanistan which is one of the countries with the most projects.

Compared to 2011, the quality of ongoing national projects monitored in 2012 has increased slightly. The highest rated criterion in 2012 was "impact prospects", followed closely by "relevance" and "quality of design". "Efficiency" and "potential sustainability" register the lowest scores. This performance rating by criteria is largely consistent with last year's, when "relevance" and "quality of design" were the highest scoring criteria, with "efficiency" the lowest. However, it should be borne in mind that comparisons of this nature can be misleading as the portfolios of monitored projects vary considerably from year to year.

It is also worth noting that in line with findings in previous years, projects implemented by UN agencies generally underperform compared to other projects. This is of particular concern as these projects normally account for a significant amount of EU aid. Also of note is the particularly poor performance of projects implemented by partner country administrations this year (a specific study is being undertaken to identify the reasons behind their relatively poor performance). Looking at the regional programmes, the overall performance in 2012 is similar to that recorded in 2011.

**Table 15: Global number and budget of projects monitored 2009-12**

<b>Number of projects monitored</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Asia	197	200	229	179
Central Asia	67	60	63	57

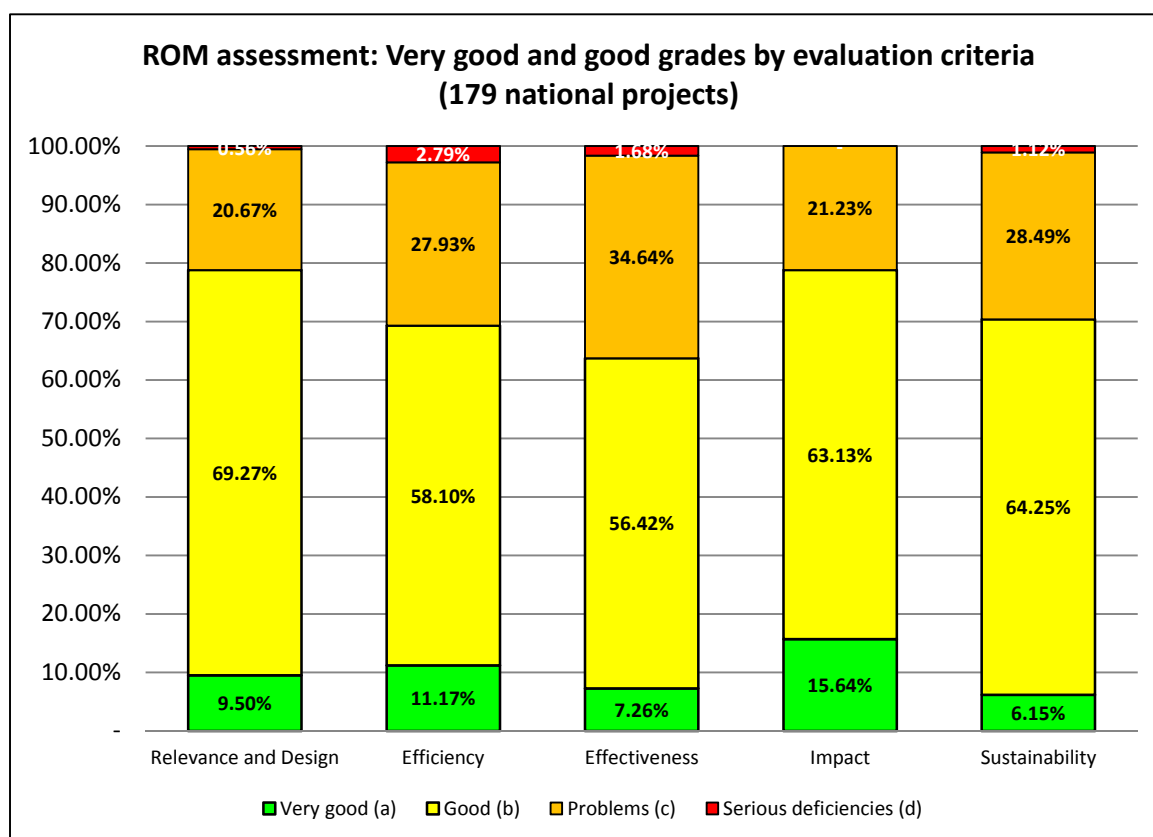
Total Region	264	260	292	236
Total value of the projects monitored	1 072 978 875	1 371 223 994	1 207 106 854	893 836 039

Of the 236 projects monitored in 2012, 202 were ongoing and 36 were monitored ex-post; 25 programmes had a regional coverage.

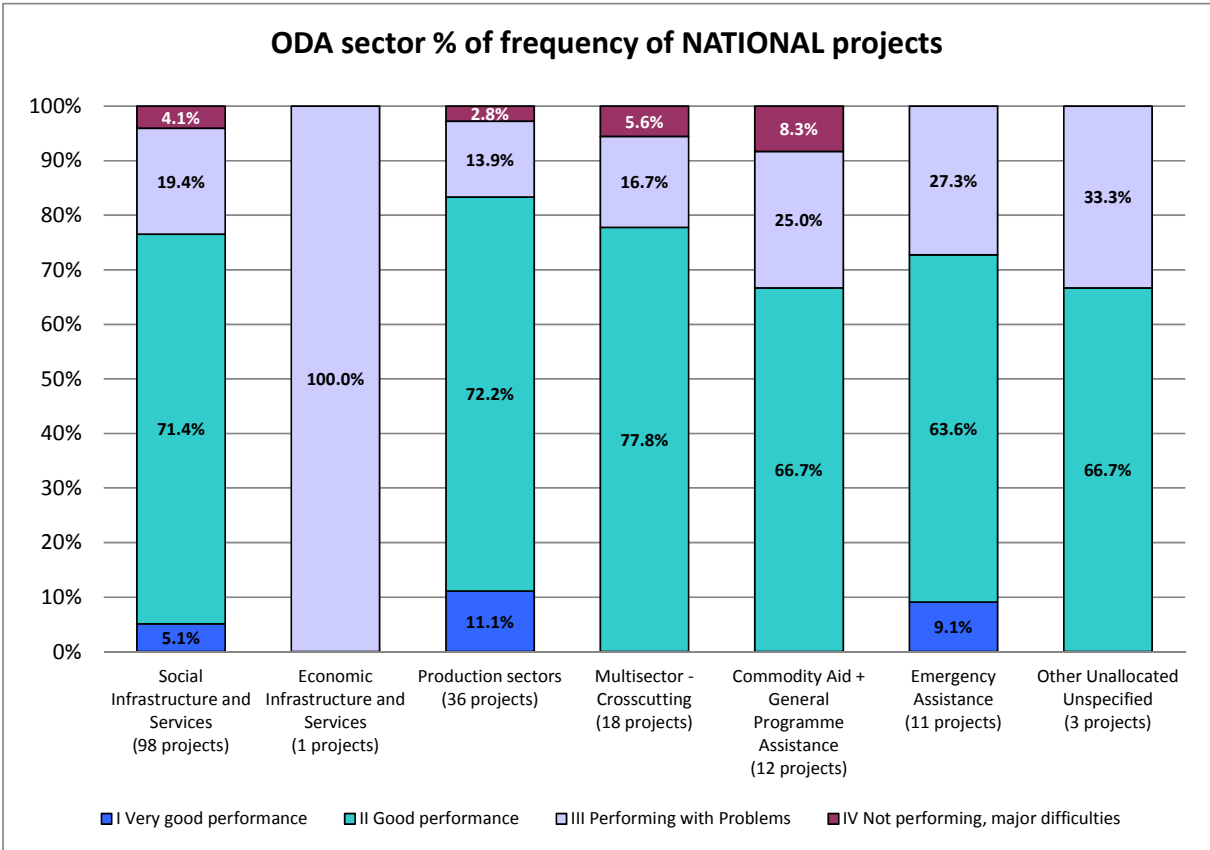
**Table 16: ROM OUTPUTS 2012**

Ongoing	Asia		Central Asia		Total Region	
	Target	Achieved	Target	Achieved	Target	Achieved
N° of countries visited	16	18	5	5	21	23
N° of MR produced (excluding SPSPs)	158	154	95	75	253	229
N° of national projects monitored	144	137	36	42	180	179
N° of regional programmes monitored	14	15	10	8	24	23
N° of SPSPs monitored	0	0	0	0	0	0
Million EUR covered	807.91	587.88	126.39	100.54	934.30	688.42

**Table 17:**



**Table 18:**



**Outlook**

There are several common challenges confronting the countries in the region, notably: economic development and climate change as well as demographic issues such as youth integration, ageing populations and access to resources and education. The region still has a very high proportion of poor people while eradicating absolute poverty remains a pressing issue. Geographical challenges are difficult to overcome and tensions generated by territorial/maritime claims resurface more intensely.

The EU must maintain the momentum of its engagement while consolidating achievements. It should continue to invest in Asian regional organisations, to better define and publicise its positions on regional challenges and to keep a good pace in the negotiation of key political and trade agreements.

Furthermore, the EU's dialogue and cooperation with Asian partners should increasingly focus on sustainable development and access to resources. Energy and water are important issues that will need to be addressed and areas of cooperation such as good governance, the rule of law, economic growth and integration will continue to require attention.

In Pakistan, the opportunity exists for the government to complete a full term in office. Parliamentary elections, likely to take place in the spring of 2013, are of particular importance as they should lead to Pakistan's first ever transition from one democratically elected government to another. The security situation is likely to remain challenging. Presidential elections are expected to be held in Afghanistan in April 2014, while parliamentary elections

in Bangladesh will be held in late 2013 or early 2014. Presidential elections are also expected in the Maldives in the second half of 2013.

The government of Myanmar/Burma has shown a commitment to political and economic reforms. Concerning development, priorities include: consolidating peace in ethnic areas while broadening the provision and quality of health and education services, improving livelihoods in rural areas and investing in infrastructure. The holding of general elections in 2015 will be a key milestone in the democratic transition.

Afghanistan will begin the fourth stage in its transition at the beginning of 2013, with the final stage expected in second quarter of this year. This will see Afghan forces take the lead in combat operations across the whole country. Much of the international focus will be on promoting peace and reconciliation in Afghanistan. The opening of a Taliban office in Qatar marks an important signpost in this process, as does the participation of Taliban representatives in various talks. However, it is uncertain if and when this will have a tangible effect on events inside the country. A critical area of international attention will be the fulfilment of commitments made by the government of Afghanistan under the Tokyo Framework, including the holding of elections in 2014 and 2015. An international conference is planned in June 2013 to evaluate progress made in meeting these commitments.

#### 2.4.2. *Central Asia*

##### **Introduction**

Central Asia is a strategic region for the EU which remains fragile and highly vulnerable. The "EU and Central Asia: Strategy for a New Partnership", adopted by the European Council in June 2007, has led to a significant intensification of EU relations with the five Central Asian countries, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.

The review of the Strategy in 2012 evaluated implementation and assessed the need for adjustments, in the light of the new trends and challenges. On 25 June, the FAC approved the Progress Report. The Council welcomed the strengthening of relations with Central Asian states and confirmed that the Strategy has proven itself and remains effective, endorsing future orientations and key actions for further strengthening cooperation.

All priority areas of the strategy, where a number of core development issues were identified for enhancing mutual engagement and effective cooperation, remain important. These are: human rights, the rule of law, good governance and democratisation; youth and education; economic development, trade and investment; energy and transport; environmental sustainability and water as well as combating common threats and challenges. Among the challenges faced, security issues are also coming to the forefront. The area of human rights and rule of law will remain a key priority in future cooperation. At the EU/Central Asia ministerial meeting chaired by HR/VP Ashton in Bishkek on 27 November 2012, the EU and its Central Asian partners renewed their commitment to the Strategy and discussed in detail the future orientations and initiatives, with mobilisation of resources in 2012-13 aiming to underpin crucial political and socio-economic reforms.

During 2012, the EU-Central Asia policy dialogue intensified at various levels: ministerial conferences, regional technical groups and national-level dialogue (notably under the Flagship Initiatives established for the priority areas of the rule of law, education,

environment and water) enhancing further cooperation and promoting the effective implementation of projects at regional and bilateral level.

Central Asian countries experience many challenges and structural problems which the EU is uniquely placed to assist with. In the course of 2012, the EU further consolidated its framework for cooperation with Central Asian countries through their participation in the European Neighbourhood Regional Programme (East). In this way it supported the modernisation and reform of core sectors of these countries' development agendas and where similar challenges are faced: education; energy; transport; the environment and water; the fight against drugs as well as improving the business climate and attracting EU investments. This process provided an important stimulus for strengthening EU cooperation thus further advancing the development reform agenda.

The human rights situation remains a key concern. While there have been some positive developments - notably the peaceful and democratic elections in the Kyrgyz Republic and recent reforms in several countries' criminal justice codes - further effort to consolidate and implement the newly designed legal frameworks will be needed in coming years.

To diversify economies and to promote regional cooperation, structural reforms remain crucial; it is particularly important to strengthen private sector development. As a land-locked region, Central Asia also faces important challenges in terms of geography alone. In addition, it is highly prone to natural disasters and extremely vulnerable to climate change. National policies for environmental governance and sustainable energy development, which would bring substantial benefits to the population and the wider regional economy, have emerged at the top of the policy agenda in all countries.

Central Asian countries continued to participate in the Tempus programme with funding of approximately EUR 2 million per country in 2012. While the overall budget remained similar to that of 2011, twice as many projects were funded in 2012 (from 13 to 27).

### **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 2012, the Commission continued to foster donor coordination and implement the EU Code of Conduct on the division of labour in Central Asia. Results have notably been achieved in Tajikistan and Kyrgyzstan, where joint cooperation strategies with other donors have been in place since 2008/09. In Kyrgyzstan, the EU became co-chair of the broader donor group – the Development Partners Coordination Council – which meets monthly. At the end of 2012, the EU was the only donor mobilising funds, which will ensure the timely and well-prepared organisation of a High Level Donor Conference in July 2013, a follow-up to the High Level Conference that took place in July 2012. The EU cooperates with the UN on issues including: elections, human rights, social protection, prison reform, women's rights and border management issues.

Cooperation between the EU and international organisations in the focal sectors of the EU's bi-lateral cooperation with Tajikistan has continued through joint work in the areas of governance, public finance management, health, social protection, agriculture and private sector development. In preparation of the Development Forum organised in December 2012, the EU Delegation and Donor Community (DCC) have worked out a series of DCC proposed initiatives in various sectors and agreed upon Shared Principles for Cooperation (2013-2015) in response to the government's 2013-2015 Medium-term Strategy for Living Standards. These initiatives will serve as EU and donors' commitment over the period. Donor coordination in the Kyrgyz Republic and Tajikistan also focused on public finance management issues. For the period 2011-2013, budget support assistance is being consolidated by appropriate policy advice and close monitoring of progress in public finance management, enabling the use of country systems in accountable and transparent ways, thereby increasing ownership and effective impact.

### **Working towards the MDGs**

EU aid under the DCI contributes to the fight against poverty including assistance to human capacity development, agricultural reform and pro-SME investment, and business capacity programmes to raise living standards. EU support also goes to improving health management systems, enhancing social protection/pensions and improving education systems. Governance and the rule of law are particularly important to the EU and are targeted through assistance for judicial reforms, strengthening public administration and PFM. Attention is also given to other issues such as the environment and the illegal drugs trade.

**Kazakhstan** has achieved most of the indicators relating to the first three MDGs on poverty reduction, access to primary education and gender equality<sup>58</sup>. Consequently, it has adopted more ambitious targets for these areas (the MDG+ targets), which include halving poverty among the rural population, achieving universal secondary education, and increasing women's representation in legislative and executive bodies. According to the latest comparable data, however, there are some troubling trends in the underweight children indicator (MDG 1) and health indicators, particularly related to MDG 6.

The **Kyrgyz Republic** has shown a serious commitment to achieving the MDGs and has already attained MDG1 and MDG3 targets. However, there are serious concerns in relation to achieving the goals in the health sector (MDGs 4, 5 and 6). As in the other Central Asian countries progress in maternal and infant mortality is slow i.e. the countries are expected to meet the target, but only after 2015.

**Tajikistan** has already attained MDGs 1 and 2, and the only country in Central Asia that has also successfully reduced the prevalence of HIV/AIDS (MDG 6). However, progress has been slow with some of the gender equality indicators (MDG 3). Despite improvements in the Kyrgyz Republic and Tajikistan, it should be noted that according to the Human Development Index (HDI), these countries remain amongst the poorest in Asia.

---

<sup>58</sup> In evaluating progress towards the MDGs in the region, it should be noted that data is in some cases scarce. The trends presented draw on the latest estimates from the UN and Asian Development Bank 2012 and the Asia-Pacific Regional Report 2011/2012. Available at: <http://www.unescap.org/pdd/calendar/CSN-MDG-NewDelhi-Nov-2011/MDG-Report2011-12.pdf>

**Uzbekistan** has already attained the MDG 1 target on decreasing child malnutrition, and is the only country in Central Asia to have achieved the CO2 emissions target. However, the latest estimates show some worrying trends related to extreme poverty.

### **Implementation & results**

In 2012, EU development cooperation commitments to Central Asia totalled EUR 117 million. There was an emphasis on education, public financial management and the Investment Facility for Central Asia (IFCA), as well as on private sector development and regional level cross-border security.

In **Kazakhstan**, the EU continued to support the accession of Kazakhstan to the WTO through advising ministries on the necessary process of reforms for WTO membership. A new project focused on public sector reform is being implemented. Considerable support was provided to develop the VET system in the country. The economic diversification project implemented by the OECD with EU funding continued to help Kazakhstan reduce its over-dependence on the energy sector by creating new business opportunities and increasing competitiveness. Lastly, a new major project implemented by the OECD aims to promote economic development and investment in the regions of Kazakhstan. As a result of several EU-funded projects, close collaboration between OECD and the government of Kazakhstan has taken place.

In **Kyrgyzstan**, a EUR 40 million five-year programme which started in 2008 to improve social protection and PFM, has resulted in more effective social protection and social insurance systems and has reduced government delays in the payment of pensions and social benefits. Specific actions have been taken to incorporate childcare, improve the targeting of benefits and to establish effective de-centralised social services to support vulnerable families and children. Progress has also been made towards establishing the legislative and institutional framework for reforms, and in putting in place the institutional and staff capacity to carry them out.

The EU is also providing technical assistance to Kyrgyzstan's Ministry of Education to assist with the redesigning of the education system, identified by the government as an urgent priority. Another programme targets schools that teach specific professional skills, allowing students to acquire new competences according to the needs of the local job market. Moreover, the EU is the sole donor providing major assistance to the Kyrgyz Prison Service since Kyrgyzstan was established. The prison reform programme implemented since 2009 supports the application of a more humane criminal code, including the training of staff, the establishment of income-generating activities and the refurbishment of designated prisons.

In **Tajikistan**, the implementation of a EUR 26 million human development budget support programme was initiated in 2012. Amounting to a continuation of earlier social protection support programmes and a first major intervention in the health sector, the programme is instrumental to both the Ministry of Labour and Social Protection and the Ministry of Health's reform objectives. Furthermore, the programme addresses overall PFM reform as a cross-cutting issue. New targeted social benefits have been piloted in two districts of Tajikistan. By mid-2012 more than 20 thousand requests for benefits had been processed and more than 8 thousand families had already received benefits. An independent evaluation organised by the World Bank in the first half of 2012 showed significant improvement of targeting under the new scheme. In view of the positive results, a scaling up of the targeted social assistance to several districts is under formulation.



In the area of social services development, nine new centres providing specialised social services were created and the quality of services in nursing homes run by the Ministry of Labour and Social Protection improved through revised standards for food and medicines provision, revised and increased staffing, and renovation of premises. As a result more than 2 600 vulnerable children and families, elderly people and people with disabilities received high quality services in 2010-12. In the pension reform area, government payments for more than 130 000 pensioners were done electronically, transferred to individual bank accounts linked to individual plastic cards. Due to the automation of this process, time for pension delivery has decreased from 40 to 10 days and corruption risks have been reduced.

In **Turkmenistan**, the EU has concluded a programme aimed to support the country to modernise the general education system, with a focus on secondary education where new teaching methodologies were successfully implemented in seven education institutions. In vocational education and training, a programme has been launched with the purpose to strengthen institutional and professional capacities and provide skills and qualifications for the labour market needs. Through this, six job profiles in the sectors of agriculture, tourism and construction have been identified and new curricula and related teacher training activities developed in 10 pilot schools. In the field of agriculture, there was a second phase of the project on support to further sustainable agriculture and rural development. The project has among other things upgraded the working knowledge on private farming of specialists of agriculture and developed a 'farmer account book' tested in 103 locations. In relation to legal capacity building, the development of a Turkmen interpretative legal dictionary and the identification of the training resource facility with a focus on international law were taken to their final phases.

In **Uzbekistan**, the EU earmarked a new allocation for quality higher education and vocational training through the Tempus and Erasmus Mundus programmes. The EU programme to support the reform of the criminal justice sector in Uzbekistan began. Implemented by the specialised agencies of EU Member States, the programme provides long-term 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, regarding implementation of new decrees on the rule of law and on the death penalty. In the first six months, 38 seminars and workshops on topics ranging from the flow of judicial information between courts to practical problems in fighting corruption were carried out.

The **Investment Facility for Central Asia (IFCA)** continued to provide regional and bilateral assistance by blending EU grants with loans from European financial institutions and banks to gain financial and qualitative leverage and thereby increase EU development policy impact. IFCA is now active in the areas of environment (renewable energies and energy efficiency), energy (renewable energies and energy efficiency), and SMEs. In the future, a possible extension to include social infrastructure investments and transport is envisaged. In 2012, three projects have been selected and financed for a total amount of EUR 21.2 million contributing to projects amounting to a total value of EUR 189.6 million. These projects are the Sustainable Energy Efficiency Financing Facility in Kyrgyzstan, the SME Facility in Central Asia and the Microfinance Initiative for Asia Debt Fund supporting micro-borrowers and low income households in South, East and Central Asia.

The regional **EU-Central Asia Rule of Law Platform** commenced activities in 2012 in support of the implementation of the political EU Rule of Law Initiative for Central Asia. The project organised two regional seminars on administrative justice (in Astana) and on

judicial reform (in Brussels). It also supported the organisation of the Third Conference of the Ministers of Justice of the European Union and Central Asia which was hosted under the Cypriot Presidency and was held in Brussels on 6 and 7 December 2012. The agreed joint communiqué established a broad work agenda for the Rule of Law Initiative, reconfirming the thematic priorities, namely: constitutional law, administrative law and criminal justice and strengthening judicial capacity building, including training activities for legal professionals.

The EU-Central Asia Education Platform also began its activities in 2012 in response 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. The EU also maintains a strong presence in the field of transboundary water management, with several ongoing projects.

On the rule of law, the implementation of the fifth phase of the EU's regional programme Central Asia Drug Action Programme (CADAP) which gives support to the drug demand reduction in Central Asian countries is towards its completion in mid-2013. The implementation of the programme by a consortium of EU Member States has yielded first tangible results demonstrating institutionalisation of EU best practices in drug related agencies of the region. Phase eight of the Border Management Programme in Central Asia (BOMCA), supporting integrated border management and regional security dialogue, continued in 2012. It gave strong focus to sustaining border management reforms on the lines of the Integrated Border Management concept widely applied in Europe. The tenth annual Central Asia Border Security Initiative (CABSI) meeting was held at interior minister level in April 2012 in order to take stock of the implementation of security programmes in the region in the last ten years. The five Central Asian participants and the 56 OSCE members expressed their commitment to improving the security issues along Central Asian borders by promoting integrated border management.

In the area of economic and private sector development at regional level, the EU has been promoting job creation by the growing business and SME sector. The SME sector is supported since 2010 by the Central Asia Invest programme, which assists capacity-building through business intermediary organisations. The EU also continued with the implementation of bilateral projects supporting private sector development, particularly in Kazakhstan.

### **Support to families with disabled children in Tajikistan**

People with mental and physical disabilities and their families are one of the most vulnerable groups in Tajikistan, particularly in rural areas. In a project designed to increase their access to the labour market and reduce social isolation, the EU has provided financial support for the development and diversification of agricultural production to rural families with disabled children. Local authorities ceded some 40 hectares of land to such families and supplied the means of production such as seeds and fertilizers.

In addition, a day care centre service was set up for 37 children under seven years old who suffer from disabilities. Guidance and support was provided to an additional 200 families, creating an opportunity for parents of disabled children to actively participate in care and rehabilitation as an alternative to residential institutions.

The project also focused on the development of private businesses for women through the provision of training, business grants and guidance on good business practice.

### **Helping hand to vulnerable children in the Kyrgyz Republic**

Some 9 069 vulnerable children have benefited from case management thanks to a new social and child protection system in Kyrgyzstan set up with EU support which has led to modern child protection units being established in each district. These aim to identify children at risk and to provide support to poor families and have provided family-based care to 89 % of children deprived of parental care. Of these only 11 % were put in institutions, once considered the only response to such cases.

The sector policy support programme in Social Protection and PFM is the starting point of a new approach to social protection in Kyrgyzstan and is adapted to the needs of the population and constraints on the ground. It aims to provide the social protection to those most in need which has been lacking since the collapse of the Soviet Union.

### **Disease prevention in women's prisons in Kazakhstan**

A particularly successful EU-supported programme to improve HIV/AIDS and TB prevention systems in women's prisons in Kazakhstan aims to enhance the detection, cure and treatment of these diseases among inmates and staff. For the first time, local professionals were given access to new informational tools, lessons, individual counselling sessions and films. There were no new cases of HIV transmission in a women's prison in the region of Karaganda where such cases had previously been high.

### **Monitoring**

42 national projects and eight regional programmes were monitored in Central Asia in 2012. These represented a total budget of slightly more than EUR 100 million. In general, the performance of most projects in Central Asia was satisfactory, with 86% of projects classified as good or very good, a higher result compared to the 83 % achieved in 2011. Also categories such as efficiency, effectiveness, impact and sustainability scored better than the previous year, while the value for relevance remained the same as 2011.

The combined monitoring figures for Asia and Central Asia can be found in section 2.4.1.

### **Outlook**

The EU's Multiannual Indicative Programme allocation for Central Asia for 2011-13 is EUR 321 million and covers both regional and bilateral cooperation. It focuses on education and higher education, health and social protection and good governance, the environment, energy and climate change issues.

The EU's commitment to poverty alleviation in the region will continue to focus on the two poorest countries: Kyrgyzstan and Tajikistan. In Kyrgyzstan the new priorities for cooperation in 2013 will be education and the rule of law. In Tajikistan the focus will be on social and private sector development in agriculture. In Kazakhstan, EU cooperation will emphasise local development and judicial reform, in Turkmenistan it will focus on education and economic development, and in Uzbekistan, rural development and good governance.

### 2.4.3. Pacific

#### Introduction

There was sustained engagement with the Pacific region in 2012, including the adoption of the joint communication 'Towards a renewed EU-Pacific development Partnership'<sup>59</sup>. This culminated in the EU's participation at the 43rd Pacific Island Forum in August in the Cook Islands. The region's key annual political and economic policy meeting, it gathers together the region's state leaders to identify priorities as well as to provide valuable input for more efficient development assistance. The 2nd EU-Pacific Island Forum ministerial meeting took place in Auckland 12 June 2012 (the first being held in Brussels in 2008) and covered security, governance, human rights, gender, development, climate change, and sustainable management of oceanic resources. In June 2012, Vanuatu hosted the 37th session of the ACP-EU Council of Ministers.

The EU continues to encourage the region to ratify and implement UN conventions on human rights as well as the Rome Statute on the International Criminal Court (ICC). Indicators show that the Pacific suffers from the lowest level worldwide of female political representation and an unacceptable level of gender-based violence. The EU is ready to further support the region to tackle gender issues as a key constraint to achieving sustainable development.

Project assistance tends to overstretch small administrations. Therefore the EU, in close cooperation with the Asian Development Bank, the World Bank, the IMF and regional partners, wishes to strengthen PFM and accountability mechanisms in order to be able to deliver aid through budget support. So far, Samoa, the Solomon Islands, Tonga, Vanuatu and the Cook Islands have qualified.

The end-of-term review of the 10th EDF national strategies, carried out in 2012, confirmed their relevance to all Pacific-ACP countries and led to the creation of an additional sub-sector in support of electoral reform in the Solomon Islands.

As the fisheries sector continues to grow, sustainable management of fishing resources receives close attention and support from the EU, which also takes great care with policy coherence in this sector. The Fisheries Partnership Agreement (FPA) with Kiribati was extended in 2012 for a further period of three years. The Solomon Islands decided not to continue the protocol due to a disagreement with the EU over the catch reference.

In Fiji, some progress towards a return to democracy was noted during the first part of the year when the Public Emergency Regulations were lifted and a consultation process leading to a new constitution was announced. On 21 December 2012, a Constitutional Commission was appointed which presented a comprehensive draft constitution for review by a Constituent Assembly, based on consultations with more than 7 000 Fijians. The EU is following developments closely and has provided support for the democratisation process. In accordance with the appropriate measures agreed under Article 96 of the Cotonou Agreement, assistance has continued to be channelled through civil society and not the government.

Pacific regional cooperation supports the integration efforts of Pacific countries in areas such as trade as well as helping them negotiate an Economic Partnership Agreement with the EU. Financial support went into economic development and compliance with international

---

<sup>59</sup> JOIN/2012/06 final

requirements and standards. Further integration of the OCTs into the region was also addressed.

The implementation of Pacific regional programmes is successful both in terms of results achieved and level of execution. Support for economic integration of Pacific island countries was delayed to allow for a more comprehensive approach in line with the on-going preparation and subsequent implementation of the Economic Partnership Agreement, to be concluded in early 2013.

### **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. Discussions on delegated cooperation have progressed well. Australia has already decided to provide funding to an EU intervention in the food security sector in South Sudan. On its side, the EU has agreed in principle to fund an AusAID technical and vocational training programme to sugar industry dependants in Fiji.

In 2012 the new Investment Facility for the Pacific was approved, providing a platform from which Australia, New Zealand, The Asian Development Bank, the World Bank, the Commission, European bilateral Investment Banks and the EIB can coordinate infrastructure projects. This facility will start being implemented in 2013.

### **Working towards the MDGs**

Despite continued and coordinated efforts, the Pacific is falling behind in the global fight against poverty<sup>60</sup>. Regional figures are dominated by Papua New Guinea which regroups 70 % of the population of the region and which remains off track for all the goals. In this country EU assistance focuses on education as well as on rural development. The Solomon Islands and Kiribati are likewise not on track for any of the goals. Cook Islands and Niue, as high middle income countries, are the only countries on track to achieve all the MDGs.

Most countries are off track on poverty reduction (MDG 1). Almost one third of the population of the Pacific lives in poverty, with Papua New Guinea, Vanuatu and the Solomon Islands ranked as extremely poor. As hunger is relatively rare in the region, the Pacific definition of poverty refers to poverty of opportunity as measured by the percentage of people lacking: access to basic services; opportunities to participate fully in the socio-economic life of the community; the ability to meet the challenges of increasing monetisation as well as resources to meet the basic needs of the household or its customary obligations.<sup>61</sup> While tracking poverty in the Pacific is made problematic because of poor statistics, it appears that the number of people living in such poverty is rising.

Better progress is being made towards achieving universal primary education, although quality remains a concern. Similarly, while there is very low gender disparity in education, progress in empowering women is much slower. Most countries in the Pacific are on track to

---

<sup>60</sup> Pacific Islands Forum Secretariat, 2012, "MDG Tracking Report", 7

<sup>61</sup> Pacific Islands Forum Secretariat, 2012, "MDG Tracking Report", 6

reduce child mortality. Several are also on track to achieve maternal health goals, but a more concerted effort is still needed to ensure universal access to reproductive health.

Progress is slow in stopping the spread of infectious and non-communicable diseases. However, with the exception of Papua New Guinea, 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, energy security remains a key priority in the region, as most countries are highly dependent on imported fossil fuels. In Micronesia, access to safe drinking water and basic sanitation is a major concern. With the exception of Papua New Guinea, the Solomon Islands, Vanuatu, Kiribati and Nauru, most Pacific island countries are making progress towards environmental sustainability. However, the prospect of achieving environmental sustainability (MDG 7) is uncertain as global warming and climate change pose significant threats to the region and most Pacific island nations are highly vulnerable to rising sea levels.

Timor-Leste is also falling short on most MDGs. While the proportion of people living on less than USD 1 a day has been decreasing since 2007, the country is not close to meeting the 2015 goal. Underweight children, maternal mortality and sanitation targets also remain challenging or off track.

## **Implementation & results**

The End-of-Term Review of the 10<sup>th</sup> EDF national strategies in 2012 confirmed their relevance. Implementation showed good progress, particularly in countries where budget support is in place or programmed (Samoa, the Solomon Islands, Tonga, Vanuatu and the Cook Islands) in support of sectors such as water and sanitation, energy and health.

Two new climate change actions have been approved for Papua New Guinea and Timor-Leste in 2012 for a total of EUR 9 million, thereby completing EU interventions under "Global Climate Change Action" which now covers the entire region. The EU is now funding climate change and environment programmes in each and every Pacific country.

A military coup in **Fiji** in December 2006 led to the suspension of most of the EU's cooperation with the country. Since 2007, the only source of EU funding to Fiji has therefore come from the Accompanying Measures for Former Sugar Protocol Countries, aimed at maintaining key services for Fiji's agriculture. This funding is channelled through CSOs so that it benefits the population directly. A new EUR 9 million programme aimed at sustaining alternative livelihoods has been committed in 2012.

In **Timor-Leste**, the lack of maintenance of roads has led to a deteriorating network, creating serious socio-economic problems for remote rural areas. Recognising the importance of roads in the development of the country, the EU approved a EUR 20.5 million "District Roads Rehabilitation and Maintenance" project in 2012.

Lastly, in 2012 several projects have been approved in Pacific ACP countries to support the attainment of MDGs. In **Timor-Leste**, EUR 10.23 million was reserved under the MDG initiative to accelerate progress on MDG 1c on the fight against hunger. In **Kiribati**, the EU is assisting the government to secure safe and sustainable drinking water supply to Kiribati island communities (EUR 4.8 million). In Vanuatu a new renewable energy project supplying

electricity to a poor suburb of Port Vila and funded from the EDF energy facility (EUR 2.5 million out of a total cost of EUR 4 million) was decided. The related financing agreement was signed by Commissioner Piebalgs during his visit to Vanuatu in June 2012.

The EU's programmes for **regional cooperation** complement national assistance programmes and aim at tackling challenges with a regional dimension. Following a successful mid-term review, the regional programme allocation under the 10<sup>th</sup> EDF was increased by EUR 19 million to reach a total of EUR 114 million, with the top-up particularly intended for support of Climate Change Action in the Pacific. Agreements for regional cooperation projects adopted in 2012 include support to the management of hazardous waste (EUR 8 million) and support to improve economic governance and PFM in Pacific ACP countries (EUR 3.6 million). Two regional fisheries projects already in place in 2012 continued to yield good results and contributed to the establishment of tracking and surveillance systems that help the proper and sustainable management of highly migrating fish stocks such as tuna and the determent of illegal fishing. Another project, aimed at strengthening Pacific economic integration through trade led to, among other things, the conduction of trade legislation reviews being carried out in Palau, the Federated States of Micronesia and Tuvalu, and to technical support for WTO engagement and trade negotiations.

#### **Renewable energy generates host of benefits for Pacific islanders**

A EUR 14.4 million EU programme to extend renewable energy provision in the remote areas of the Northern Pacific means children spend more time studying and women have greater income-generating opportunities. The programme has connected all communities in the outer islands of the Marshall Islands to an electricity supply as well as homes, schools and health centres in Micronesia. It has reduced costly imports of imported petroleum – and Palau's energy bill. Early warning systems in this region prone to natural disasters have also improved and reliable electricity supplies mean that schools can now participate in the 'one laptop per child' scheme run by a non-governmental organisation – a teaching programme which makes full use of computers.

#### **Fiji dumpsite rehabilitation benefits environment and public health**

Rehabilitation of the Lami dumpsite – an area of 75,000 m<sup>2</sup> on the outskirts of Fiji's capital, Suva – has improved the local environment and has prevented the occurrence of potential public health problems. The spillage of waste from the site – redundant since 2005 – into the nearby river and beach, and frequent fires, had been of great concern to communities. Work on the EUR 2.7 million EU project was completed in May 2012.

#### **Safe drinking water for more Samoans**

Many more Samoans now have access to safe drinking water as a result of the EU's EUR 24.8 million 2009-2013 budget support funding to the sector (2009-13) under the 10<sup>th</sup> EDF. Channelled directly to the government to assist implementation of its 'water for life 2008-2012' plan, the EU's programme is also helping the country achieve MDG 7.C on increased access to safe drinking water. Between May 2008 and March 2009, only 54% of sample tests met national drinking water standards (WHO compliant). Of sample tests taken between July 2010 and June 2011, 72% were compliant.

#### **Monitoring**

In 2012, 52 ongoing national, 32 ongoing regional, one SPSP and four closed projects (representing EU commitments of nearly EUR 290 million in 16 ACP countries and overseas territories in the Pacific), were reviewed by independent evaluators.

The following table shows the evolution of overall performance of the Pacific portfolio from 2009. Notably, the year 2012 shows an increase in the number of projects with problems and a decrease of those showing good performance.

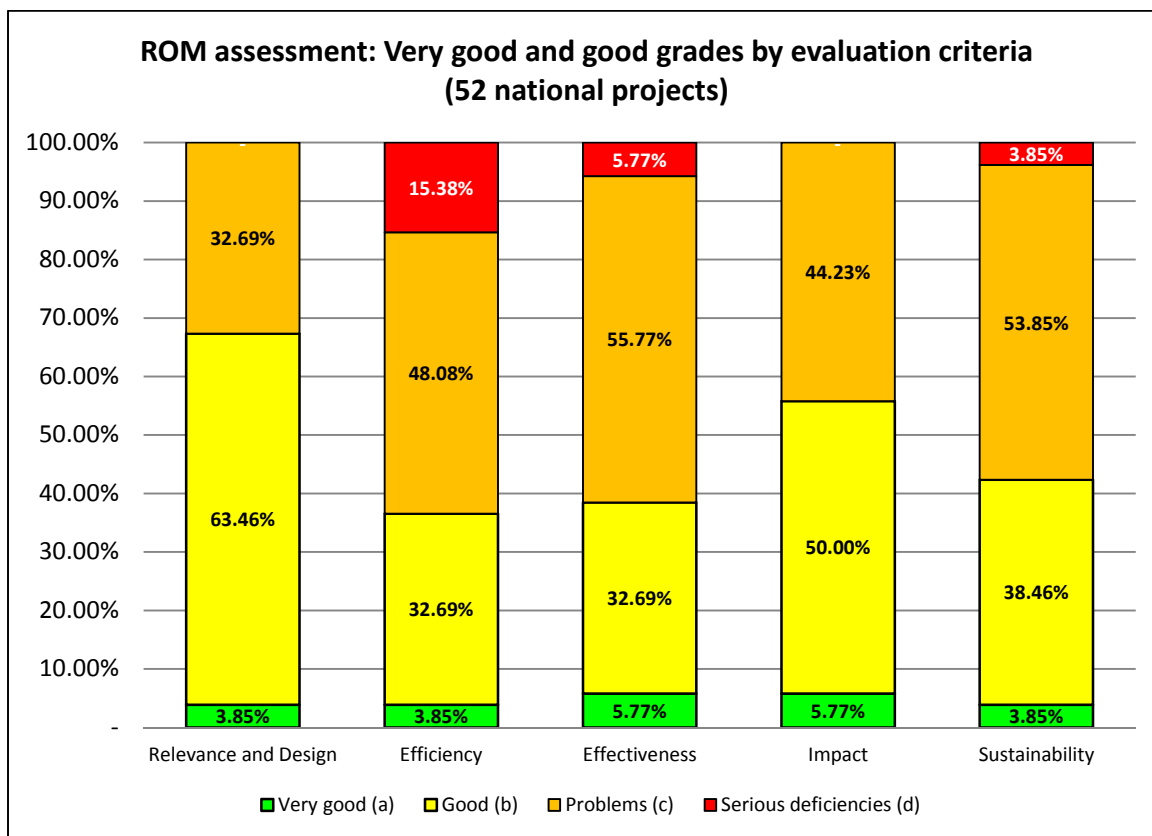
Of the total ongoing national projects monitored in the Pacific region, only 40.4 % now show "good" and "very good" performance. Compared to 2011, the number of ongoing projects with problems/serious difficulties has increased considerably to 38.4 % and 21.2 % respectively. This shows that while most programmes are considered relevant and show good quality of design, there are strong concerns with regard to efficiency, effectiveness and sustainability.

The overall performance of regional programmes in the Pacific is significantly higher than national projects, especially when it comes to relevance and sustainability.

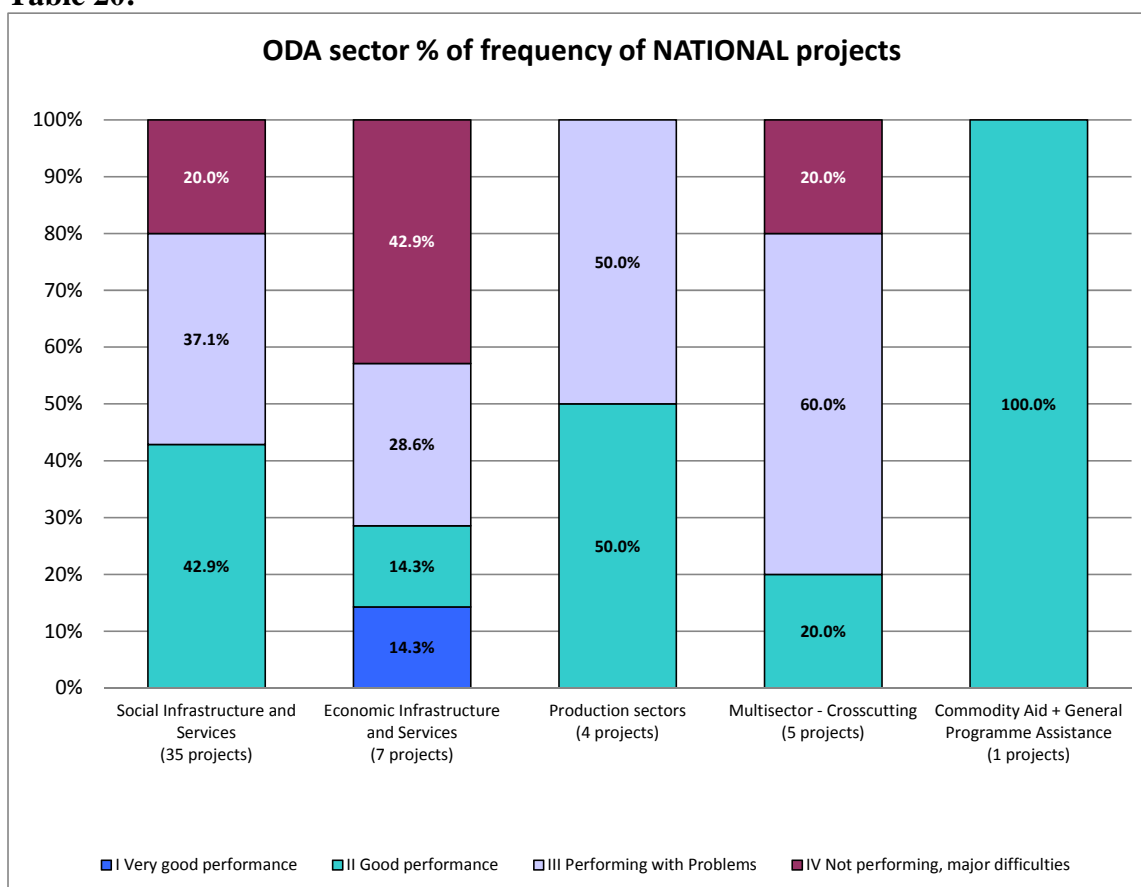
Although the root causes of the recent increase in the number of national projects performing with problems or with serious difficulties have not been investigated, it seems that the specific geographic conditions in the Pacific continue to have a systematic effect on the implementation of country projects. Typical problems include the great distances involved, an absence of reliable statistics and indicators, political changes and changes of political or administrative projects support as well as lack of trained project management staff.

**Table 19:**





**Table 20:**



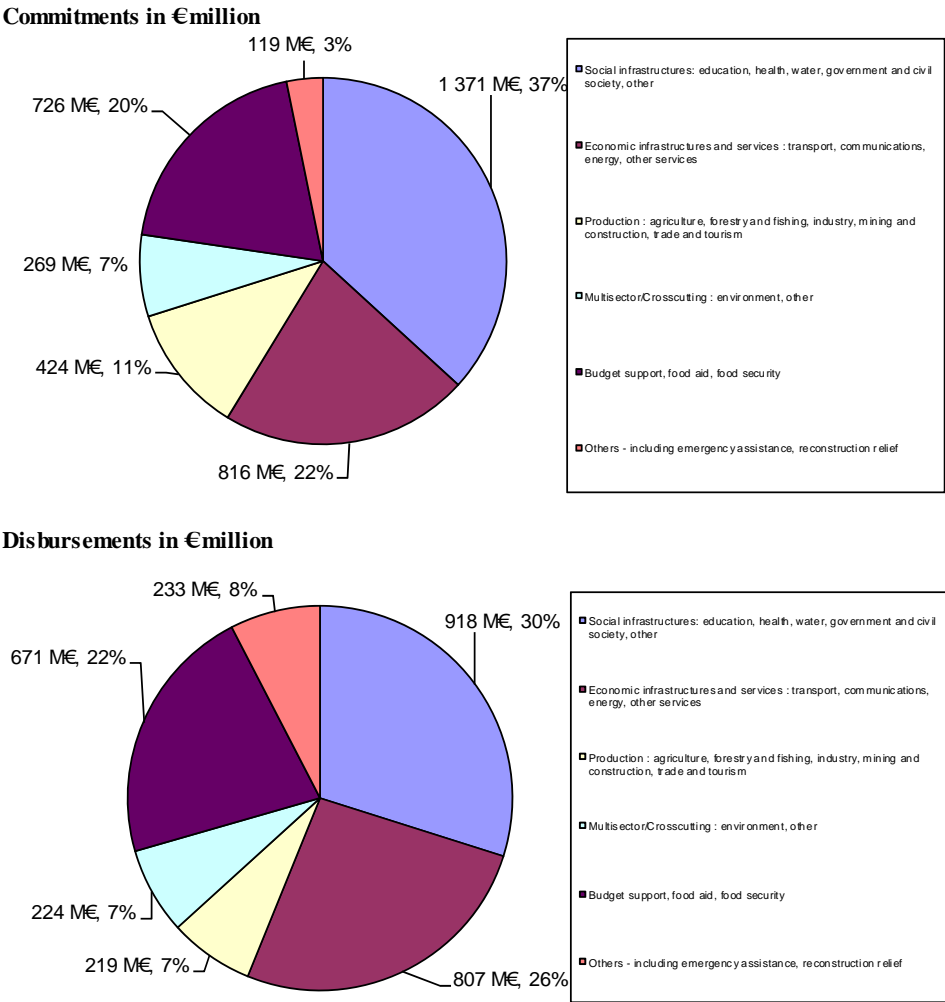
## Outlook

The year 2013 will be the final year for commitments under the 10<sup>th</sup> EDF. Preparatory work for full commitment of the remaining available funds (up to EUR 160 million to be committed in 2013 excluding OCTs) in the Pacific ACP countries and region is well advanced.

In parallel, discussions on programming priorities for the 11<sup>th</sup> EDF have started to define cooperation activities in the region from 2014 to 2020.

Donor coordination will remain high on the agenda in the region. A key year, 2013 will see the start of implementation of the EU Pacific Investment Facility, which will blend grants and loans and facilitate donor coordination. As regards budget support, Pacific countries will use the new budget support guidelines for Small Island Developing States, developed over the second semester of 2012 which focus on clear, few, visible and simple indicators.

**Table 21 EDF - Breakdown by sector of external aid financed on the European Development Fund (EDF) managed by EuropeAid in 2012**



Bilateral and multilateral ODA. Excl non-ODA resources (Peace facility,...).

**Table 22 EDF - Regional breakdown of external aid financed on the European Development Fund (EDF) managed by EuropeAid in 2012**

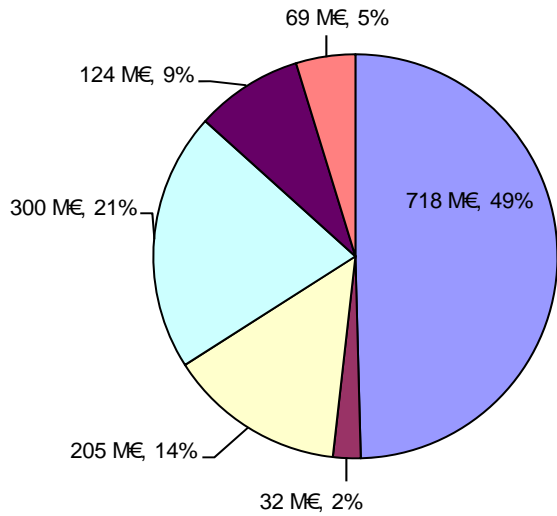
	<b>Commitments in € million</b>	<b>Disbursements in € million</b>
<b>Africa</b>	3 275	2 686
<b>Caribbean</b>	197	181
<b>Pacific</b>	118	72
<b>Overseas Countries &amp; Te</b>	27	14
<b>ACP Unallocated</b>	109	120
<b>Total</b>	3 726	3 073

Bilateral and multilateral ODA. Excl non-ODA resources (Peace facility,...).

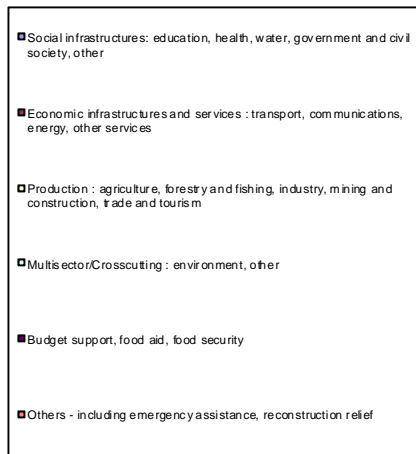
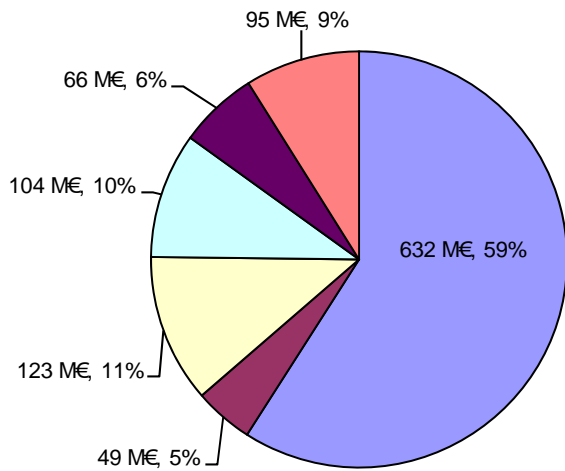
<b>Table 23 EDF - General and sector budget support per country</b>				
Commitments in € million				
Country	GBS / SBS	Sector	Description	Total
Anguilla	GBS	General budget support	The overall objective of this GBS programme is to s	11.70
Benin	GBS	General budget support	Le Contrat de bonne gouvernance et de développem	50.00
Botswana	SBS	Education policy and administrative	Support the National Human Resource Developem	26.68
Burkina Faso	GBS	General budget support	CONTRAT OMD ABCRP 2009-2014 (APPUI BUDGE	0.98
Burkina Faso	SBS	Basic drinking water supply and basic sanitation	Programme d'Appui à la Politique Sectorielle - Eau Potable et Assainissement (PAPS-EPA 2009-2014)	25.00
Burkina Faso	SBS	Health policy and administrative management	Cette action initiée sur ressources additionnelles du 10è FED dans le cadre de l'Initiative OMD vise à accompagner le Burkina Faso à accélérer l'atteinte	36.00
Burundi	GBS	General budget support	Programme d'Appui Budgétaire Général (42 Mio EUR) et Appui institutionnel (2.125 Mio EUR) pour les	44.13
Cape Verde	GBS	General budget support	The current budget support programme unifies the hitherto separate two budget support programmes (poverty reduction support and Support to the	31.00
Cote d'Ivoire	GBS	General budget support	State Building contract (cf annexe FIP) Financé sur l'enveloppe B, il a pour objectif de répondre à la situation d'urgence due à la crise	115.39
Dominica	GBS	General budget support	10 EDF General Budget Support Programme to the Growth and Social Protection Strategy in Dominica	8.46
Dominican Republic	GBS	General budget support	the objective of this general budget support is to support DR government efforts to achieve MDG through the proper implementation of the National	10.00
Dominican Republic	SBS	Business support services and insti	Sector Budget Support to results in implementation of the DR National Competitiveness Plan	3.60
Dominican Republic	SBS	Education policy and administrative	Education Sector Budget Support programme in the Dominican Republic 2012-2015	45.50
Ghana	SBS	Public sector policy and administrat	Sector Budget Support is foreseen as the best modality for the implementation of the Ghana 10th EDF decentralisation component. The support is	45.00
Ghana	SBS	Reproductive health care	Sector Budget Support to the Ministry of Health to combat Maternal Mortality and improve Maternal Health	52.00
Grenada	GBS	General budget support	10EDF Multi Sectoral General Budget Support Programme in support of Grenada's GPRS	8.00
Liberia	GBS	General budget support	The main objective of the general budget support (GBS) in Liberia is to improve and maintain a stable macroeconomic framework, to reinforce the	13.62
Liberia	SBS	Basic health care	Support to the implementation of the National Health Plan. Capacity building to the Counties Health Teams. Improve access and quality of the	42.00
Malawi	GBS	General budget support	The specific objective of the general budget support is to assist GoM in the implementation of the poverty reduction programme and to contribute	98.00
Mauritania	GBS	General budget support	Programme d'appui budgétaire d'un montant de 40millions d'euros et programme d'appui complémentaire de 6millions d'euros destiné au	46.00
Mauritius	GBS	General budget support	PSSED will cover the period 2009-2011 and it is the first three year GBS programme of the EC in Mauritius. PSSED will also be the largest	3.00
Mauritius	GBS	General budget support	The 10th EDF funds received from the MDG initiative are being used in combination with the funds received from the sugar accompanying	5.10
Montserrat	GBS	General budget support	The overall objective of this GBS programme is to support impl. of the Sustainable Development Plan and Roadmap, in order to contribute to the recovery	15.66
Mozambique	GBS	General budget support	MDG CONTRACT 1 MOZAMBIQUE	9.48
Namibia	SBS	Basic drinking water supply and bas	The proposed NAWASA concurs with all objectives of the Water Supply and Sanitation Policy of the government of the Republic of Namibia aiming to	18.00
Niger	SBS	Food aid/Food security programmes	PROGRAMME D'APPUI AU SECTEUR SECURITE ALIMENTAIRE	56.50
Rwanda	SBS	Agricultural policy and administrative	Allocation provided to the districts in order to develop activities in link with SPAT 2 (Agricultural national policy)	20.00
Samoa (Occidentale)	SBS	Water resources policy and adminis	This programme is the 2nd phase of the 10th EDF Water & Sanitation Sector Policy Support programme combined with the MDG Initiative	18.10
Seychelles	SBS	Education policy and administrative	Preparation and Implementation of the Medium Term Education Strategy (MTES) 2012-16.	3.00
Sierra Leone	GBS	General budget support	GENERAL BUDGET SUPPORT (MDBS)	14.00
Sierra Leone	GBS	General budget support	The budget support operation aims to consolidate peace and state institutions by contributing to macro-economic stabilisation, strengthening core	29.62
Tanzania	SBS	Road transport	Sector Budget Support to Ministry of Works for implementation of road subsector activities in Tanzania	45.00
Togo	GBS	General budget support	Ce programme d'ABG a comme objectif global de contribuer au financement de la stratégie nationale de réduction de la pauvreté (DSRP) et en particulier	22.50
Tonga	SBS	Power generation/renewable source	Energy Sector Reform Contract for the Kingdom of Tonga	6.49
<b>Grand Total</b>				<b>979.50</b>

**Table 24 DCI Geographic - Breakdown by sector of external aid financed on the general EU budget managed by EuropeAid in 2012**

**Commitments in €million**



**Disbursements in €million**



Bilateral and multilateral ODA (EuropeAid only).

**Table 25 DCI Geographic - External aid financed on the general EU budget managed by EuropeAid**

€millions	2008	2009	2010	2011	2012
<b>Commitments</b>	1 371	1 414	1 422	1 414	1 452
<b>Disbursements</b>	1 137	1 192	1 127	1 100	1 083

Bilateral and multilateral flows (EuropeAid only).

**Table 26 DCI Geographic - General and sector budget support per country**

Country	GBS / SBS	Sector	Description	Total
Commitments in € million				
Bolivia	SBS	Basic drinking water supply and basic sanitation	Appui a la mise en oeuvre du plan de developpement du secteur de l'eau et de l'assainissement en milieu rural a travers un appui APS al SNAP	22.00
Bolivia	SBS	Environmental policy and administrative management		18.00
Ecuador	SBS	Financial policy and administrative management	Programa de apoyo a las políticas del estado ecuatoriano en lo relativo al desarrollo de las micro y pequeñas empresas, además de un apoyo a la	32.00
Honduras	SBS	Environmental policy and administrative management	Apoyo europeo a la política sectorial forestal en Honduras (budget support -26M + Indirect Centralized -	47.00
Honduras	SBS	Multisector aid	El objetivo es contribuir a dar espacio político y margen fiscal al gobierno, para alcanzar los <u>objetivos sectoriales en materia de acceso a</u>	16.66
Kyrgyz Rep.	SBS	Education policy and administrative management	The overall objective is to assist the Government of the Kyrgyz Republic to establish an effective system of formal and non-formal learning capable of	20.00
Laos	SBS	Primary education	Sector Reform Contract -EDU and Health embedded into the PRSO 8-11. Variable tranches E&H: 4M	18.50
Nepal	SBS	Education policy and administrative management	The overall objective of ESSP Phase II is to further contribute to implementing Indonesias medium-term development policies and strategies for	119.00
Nepal	SBS	Primary education	The Ministry of Education's long term strategic plan for the development of basic and secondary <u>education in Nepal is the School Sector Reform</u>	31.60
Pakistan	SBS	Rural development	The purpose of the programme is to develop and strengthen provincial government systems to support effective public service delivery at local	53.20
Peru	SBS	Trade facilitation	The EU Support to the Peruvian Policy Promoting Exports of ecological products. EURO- ECO-TRADE	13.00
Uruguay	SBS	Decentralisation and support to subnational government	Contribuir a los esfuerzos de Uruguay para incrementar su capacidad de desarrollo científico y tecnológico y su vinculación con el desarrollo	11.00
<b>Grand Total</b>				<b>401.96</b>
GBS : General Budget Support				
SBS : Sector Budget Support				

## 2.5. OCTs

### Overseas Countries and Territories (OCTs)

#### Introduction

In accordance with part four of the EU Treaty, the OCTs are closely associated with the EU. 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".

The Overseas Association Decision (OAD)<sup>62</sup> lays down the rules and procedures governing political, commercial and financial relations between the EU and the OCTs. The current OAD is in force until 31 December 2013.

In 2011, the Commission adopted its proposals for the 2014-20 period in favour of the OCTs which foresee EUR 217.8 million under the General Budget for the Partnership with Greenland and EUR 343.4 million under the 11th EDF for the other OCTs<sup>63</sup>.

#### Legislative proposals

During the first quarter of 2012, the Commission made a proposal to amend the 2001 OAD in order to include Saint-Barthélemy as an OCT. The Council adopted the amending decision on 24 September 2012<sup>64</sup>.

In the course of the first semester of 2012, the Commission initiated negotiations with the Council and the European Parliament on the legislative proposal for a new EU-Greenland Partnership, for the period 2014-20.

In July the Commission approved a draft legislative proposal for a Council decision on the association of the OCTs with the EU (the OAD proposal)<sup>65</sup>, which was then transmitted to the EU Institutions and the national Parliaments<sup>66</sup>. The proposal was accompanied by an Impact Assessment, conducted in 2012.

#### Policy dialogue and the OCT-EU Forum

The 10th OCT-EU Forum took place in Brussels in January 2012 with the participation of representatives of the OCTs and the four Member States to which they are linked (Denmark, France, United Kingdom and The Netherlands). The Forum discussed the renewal of the association as well as programming and implementation of EDF resources.

At the 11th OCT-EU Forum, which took place in Ilulissat, Greenland in September 2012, the Commission presented its proposal for a new OAD in detail.

---

<sup>62</sup> Council Decision 2001/822/EC of 27/11/2001 (OJ L 314, 30.11.2001), amended by the Council Decision 2007/249/EC (OJ L 109, 26.4.2007)

<sup>63</sup> COM(2011)846 final, 7.12.2011 and COM(2011)837 final, 7.12.2011

<sup>64</sup> Council Decision 5258/2012/EU of 24.09.2012 (OJ L 264, 29.9.2012)

<sup>65</sup> The proposal was based on a careful analysis of the 2001 decision, the outcome of numerous consultations, political statements of the Commission, Council, OCTs and Member States as well as external studies.

<sup>66</sup> COM(2012) 362 final, 16.7.2012

In September 2012, the Commission organised a raw materials workshop focusing on Greenland's potential as a provider of critical raw materials to the EU and the development of mining activities in Greenland.

In the course of 2012, the Commission organised and chaired several tripartite or *ad hoc* meetings with OCTs and Member States representatives.

## **Implementation and results**

### **Atlantic and/or isolated OCTs**

During 2012, EU cooperation with **Greenland** continued to provide support to the education sector with a new EUR 28.4 million financing decision bringing total EU support to Greenland (in terms of commitment appropriations) to EUR 165.2 million, since 2007. The Greenland Education Programme has helped increase student intake in post-elementary education. It has also provided vocational training for unskilled workers and supported the government's education sector reforms. Total disbursements since 2007 reached EUR 154.9 million, of which EUR 26.7 million was disbursed in 2012.

The Greenland Education Programme attained most of the targets set out in the territory's annual work plans. Implementation reports submitted on an annual basis to the Commission reflect the progress made in terms of students attending VET; high schools and higher (tertiary) education and students obtaining a job within one year of graduation.

For the Atlantic OCTs of **St. Pierre and Miquelon and Saint Helena, Ascension and Tristan da Cunha** the implementation of budget support programmes continued in 2012 with the disbursement of fixed and variable tranches of EUR 7 million. In **Saint Pierre et Miquelon**, the programme aims at enhancing economic development and promoting the diversification of the economy through an EU general budget support programme of EUR 20.7 million. In the case of **Saint Helena, Ascension and Tristan da Cunha** EU assistance supports transport infrastructure through a EUR 16.6 million sectoral budget programme. Programming for EU support to the **Falkland Islands** continued in 2012. A financing decision of EUR 4.13 million is expected to be adopted in the first half of 2013.

### **Pacific & Indian Ocean OCTs**

Late in 2012 the Commission approved the single programming document (SPD) and adopted the financing decision for the 10<sup>th</sup> EDF allocation in favour of **Mayotte**. The EU assistance amounts to EUR 22.9 million and will be provided as budget support to assist Mayotte to implement its territorial development plan. EU support will also focus on the improvement of PFM in the territory.

In the Pacific OCTs, the Commission finalised the SPD for **French Polynesia** with a view of launching a project for EUR 19.8 million in support of the water and sanitation sector in Papeete in early 2013.

Programmes in support for the rehabilitation of Leava port in **Wallis and Futuna** (EUR 16.5 million) and for tourism development in **Pitcairn** (EUR 2.4 million) have been formulated in close collaboration with the two territorial authorities and will be committed in 2013.

Implementation of the EUR 19.8 million EU programme in **New Caledonia** in support of vocational training is on track, with the first tranche (EUR 6.5 million) disbursed in 2012.



## **Caribbean OCTs**

In 2012, three SPDs were approved and financing decisions were adopted by the Commission for a total amount of EUR 51.36 million: Anguilla EUR 11.7 million; Montserrat EUR 15.66 million; and the former Netherlands Antilles EUR 24 million (Curacao EUR 11.25 million; St. Maarten EUR 4.75 million; Bonaire EUR 3 million; St. Eustatius EUR 2 million; and Saba EUR 3 million).

In **Anguilla**, EU assistance aims at supporting the implementation of the Medium Term Economic Strategy 2010-14 (MTES) of the government. In 2012, a first fixed tranche of EUR 3.6 million relating to this programme was disbursed.

For **Montserrat** the SPD is targeted on support for the implementation of the territory's Sustainable Development Plan and Sustainability Roadmap. A first fixed tranche of EUR 5.13 million was disbursed in 2012.

In the case of the **former Netherlands Antilles**, the SPD is targeted at urban infrastructures in socially deprived areas in Curacao and Saba; sewerage in St. Maarten and Bonaire; and port development in St. Eustatius.

With regard to **Turks and Caicos Islands**, the Commission agreed to resume EU support under the 9<sup>th</sup> EDF. EU support was earmarked for infrastructure and macro-economic reforms. The disbursement of the last fixed and variable tranches (EUR 3.88 million) took place in December 2012. The government of Turks and Caicos Islands started programming of its 10th EDF allocation (EUR 11.8 million) at the end of 2012, with support from a technical assistance team financed by the Commission. The SPD and the accompanying financing decision are expected to be adopted by the Commission in 2013.

## **Regional programme and provision of experts for capacity building purposes**

Following the approval in 2011 of the SPD on the regional cooperation strategy for the OCTs (EUR 40 million), the Commission proceeded with the implementation of the regional strategy in close cooperation with the relevant OCTs.

### **Regional Programme**

The financing agreement for the Technical Assistance to the OCT Association project (EUR 5 million) was signed in May 2012 and the relevant service contract was signed in December 2012. This project provides long and short-term technical assistance to the OCT Association and allows for the organisation of the annual OCT-EU Forum from 2013 to 2015.

The Financing Agreement for the 10th EDF "Caribbean OCTs Small and Medium Enterprises Development Programme" (EUR 15 million) was signed in September 2012. This project contributes to economic diversification and growth in Caribbean OCTs by improving the competitiveness of their SMEs.

A programme in support of regional management of the environment (INTEGRE), and, more specifically, the conservation and management of natural resources and ecosystems in the four Pacific OCTs (EUR 12 million) was finalised in 2012.

The regional project "Gestion durable du patrimoine naturel régional de Mayotte et des Iles Eparses (Terres Australes et Antarctiques Françaises)" (EUR 3 million) was approved by the Commission and the respective financial agreement will be signed in January 2013.

### **Provision of experts**

Seventeen short-term service contracts for studies and/or seminars were concluded under Technical Cooperation Facility II (total value of contracts EUR 1.6 million). These contracts enabled, *inter alia*, the organisation of the OCT-EU FORUM in Greenland in 2012; a seminar on green energies in Aruba; the evaluation of public finance management in New Caledonia and Pitcairn; and programming assistance to the Falkland Islands and the Turks and Caicos Islands.

## **3. CHAPTER 3 IMPLEMENTATION: THEMATIC OVERVIEW**

### **3.1. The thematic programmes**

#### **3.1.1. Investing in people**

##### **Investing in People**

The "Investing in People" programme supports thematic activities in health, education, knowledge and skills, gender equality, and other aspects of human and social development such as employment and social cohesion, children and youth, and culture. Following the mid-term review undertaken in 2010, the programme moved away from annually supporting actions in all areas to supporting each area in turn over a longer time frame. In line with this approach, the 2012 programme covered thematic action in the areas of **health, social protection, children and culture**.

##### **Health**

In 2012, the programme continued to support health systems strengthening and universal access to basic health care as well as to address urgent gaps in achieving the health MDGs.

The Global Alliance on Vaccines and Immunisation (GAVI) received support for Phase II of their global programme to make pneumococcal vaccines more available and accessible in least developed ACP countries (EUR 10 million).

Building on an existing programme, additional support was provided to set up a comprehensive EU-WHO Universal Health Coverage Partnership, supporting policy dialogue on national health policies, strategies and plans and universal coverage in selected countries (EUR 23.2 million in total).

Additional funding was also channelled through the United Nations Population Fund (UNFPA) to support the Global Programme to Enhance Reproductive Health Commodity Security, increasing the EU contribution to a total of EUR 32.7 million.

Finally, the programme continued to support efforts to reduce mortality and morbidity rates and mitigate the impact of AIDS, tuberculosis and malaria with a EUR 50 million contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM).

## **Social protection**

In 2012, the programme funded an Expert Facility on Social Protection (EUR 4 million) to enhance the capacities of partner countries to better design, manage and monitor inclusive, efficient and sustainable social protection systems. The Facility is based on short-term peer-to-peer technical assistance. It will be managed by a consortium of EU Member States and is intended to be an instrument that allows the wealth of European knowledge and experience to be easily accessed by partner countries.

## **Culture**

The programme continued to support culture for human and social development, in particular as a vector of democratisation and economic growth. Focusing on these two priorities, a call for proposals was launched in October 2012 (EUR 22.2 million) supporting initiatives which encourage cultural expressions and which promote: diversity; intercultural dialogue and human and cultural rights, in the context of reconciliation; conflict resolution and democratisation, and which strengthen the capacities of cultural actors for the development of a dynamic cultural sector that contributes to economic growth and sustainable development.

## **Children**

In 2012, the programme continued contributing to the implementation of the Convention on the Rights of the Child (CRC) in line with the EU Action Plan on Children in External Action. Support will be provided to actions for child protection and combating violence against children through a call for proposals launched in October 2012 (EUR 41 million). A contribution agreement was signed with UNICEF (EUR 5.4 million) to support birth registration, given that the lack of registered births critically undermines efforts to prevent, track and counter violation of children's rights.

For the first time, online training on how to integrate child rights into development cooperation activities and policies has been proposed to EU staff at headquarters and Delegations.

## **Gender equality**

The EU Plan of Action on Gender Equality and Women's Empowerment in Development (GAP) was implemented during 2012. The implementation report, which is available online, suggests that further progress has been realised towards achieving the objectives of the GAP<sup>67</sup>. Concerning the response rate, reports were received from 93 Delegations and 16 Member States. The number of EU Delegations which submitted reports increased from 80 in 2011 to 93 in 2012.

The call for proposals "Strengthening protection and promotion of women's rights and women's social and economic empowerment" was launched in 2012, with the overall objective of promoting women's rights. At the end of the selection procedure, 42 projects were funded (out of over 1 800 concept notes submitted) for a total budget of EUR 30 million.

---

<sup>67</sup> [http://ec.europa.eu/europeaid/infopoint/publications/europeaid/227a\\_en.htm](http://ec.europa.eu/europeaid/infopoint/publications/europeaid/227a_en.htm)

In April 2012, a memorandum of understanding was signed between the EU and UN Women in order to strengthen their cooperation. This reaffirms the partnership between the two organisations to support gender equality and women's empowerment around the world.

In 2012 a joint UNICEF and EU project was completed, focusing on the reduction of harmful practices in several African countries such as female genital mutilation/cutting. As a consequence, this practice is being banned in countries such as Senegal.

A specific discussion panel on the role of regional mechanisms in promoting universal women's rights and gender equality was organised during the 14th EU-NGO Forum on Human Rights in December 2012.

### **A comprehensive approach to democracy support**

The ENPI spring package (May 2011), the Agenda for Change and budget support communications (October 2011) announced a strategic shift in EU development policy towards stronger conditionality on human rights, democracy and the rule of law, the role of civil society and other elements of good governance. Throughout 2012 the EU has continued to develop its comprehensive approach to democracy support, including democratic institution building, electoral assistance and observation follow-up, media and parliamentary support and civil society programmes.

The Commission's communications and the Council Conclusions on the Agenda for Change and on budget support of 2011 have clearly expressed that good governance is vital for sustainable and inclusive growth, and that EU support to governance should feature prominently in all partnerships. The EU is in the process of developing approaches to country allocations that take into account partner countries' commitment to good governance. The mix and level of aid provided will depend on an assessment of the country, taking into account its commitment, ability to conduct reforms and will meet its people's demands and needs.

The joint report on "Implementation of the Agenda for Action on Democracy Support in the EU's External Relations"<sup>68</sup> in 2012 developed this focus further with an update on democracy support initiatives in the countries that take part in the pilot exercise. It also proposed initiating a second generation of pilot countries for democracy support as well as a further fine-tuning of the methodology through the drafting of democracy profiles and democracy action plans in those countries.

### **Electoral assistance and election observation follow-up**

Genuine elections are the basis of a functioning democracy and play a key role on the path to sustainable development. In 2012, the EU continued its worldwide electoral assistance for example, by providing technical and material support to electoral processes, normally in the form of expertise and advisory services to Electoral Management Bodies (EMBs), as well as providing material support to voting and registration operations. To promote inclusiveness and acceptance of the democratic process, electoral assistance increasingly supports key electoral stakeholders other than EMBs. This includes: accompanying CSOs in areas such as voter/civic education and domestic observation; promoting an impartial and professional media sector, including training of journalists; providing training to members of political parties and electoral candidates, including intra-party dialogue and gender issues; promoting

---

<sup>68</sup> JOIN(2012) 28 final

the adoption of sound electoral dispute resolution mechanisms and strengthening the judiciary as well as supporting the security agencies.

In 2012, the EU supported electoral processes in a number of countries including El Salvador, Nigeria and Togo. The EU has strengthened its support for the spread of democracy in the southern Mediterranean and the Middle East, providing support to the democratic reform processes in Jordan and Libya. Assistance for countries in the process of consolidating their democratic institutions, such as Nepal and Tanzania, is being prepared. Support is also in preparation for countries that have undergone crisis situations and where transitional institutions are to be replaced by democratically elected institutions, such as in Madagascar. The EU has also initiated election observation follow-up missions, with Malawi as the first test case in November 2012.

### **3.1.2. Non-state actors and local authorities in development**

EU support to non-state actors (NSAs) is carried out through several instruments and programmes. The total amount allocated to civil society is around EUR 1 billion per year. In this context a thematic programme has been fully dedicated to NSAs and local authorities (LAs).

In 2012, the EU continued to support small-scale development initiatives either proposed and/or carried out by NSAs and LAs from the EU and partner countries. For in-country interventions implemented locally, EU Delegations have continued a strategic and focused approach and have launched calls for proposals for NSAs and/or LAs, ensuring complementarity and consistency with the EU development cooperation thematic programme. For multi-country interventions, as well as development education, awareness-raising and coordination, global calls were successfully launched at Commission headquarters level.

The share of the programme devoted to multi-country activities was reduced in favour of actions in a single country. The 2012 Annual Action Programme allocated a total of EUR 231.8 million: EUR 199.2 million for NSAs and EUR 32.6 million for LAs. For in-country operations, EUR 165.1 million was set aside for NSAs and EUR 27.7 million for LAs. With these funds, actions were launched for 88 countries for NSAs and 41 countries for LAs.

A total of 224 proposals were received following the new global call for proposals addressed to LAs in November 2011, of which 17 were selected and proposed for contracting. These projects will strengthen the institutional capacity of LA associations at regional, continental or international level or provide support to LAs in partner countries. Awareness-raising activities by LAs within the EU and acceding countries will also be supported.

In addition, the online portal of de-centralised cooperation hosted by the Committee of the Regions, has been live since the end of 2011. It is a tool for European LAs involved in development cooperation projects. Among other things, this site will enable LAs from the EU and their partners in developing countries to interact on future projects. This portal also makes the Commission-financed 'Atlas of decentralised Cooperation', available online since 2010, more accessible.

The Commission also conducted a study on decentralised cooperation as a mechanism for EU LAs to support those in partner countries, analysing and comparing its different modalities both at Member State level and within Commission programmes, notably the NSA-LA programme.

A positive discussion has continued between the members of PLATFORMA - a platform for dialogue between European LAs working in the area of development cooperation - and Commission services. PLATFORMA will continue to receive funding from the NSA-LA thematic programme for coordination activities at European level until 2013, and for cooperation activities with LAs in partner countries until 2015. This Commission support has been highly effective, for instance in facilitating consultation in the EU and partner countries on the Issue Paper on Local Authorities in Development prepared by the Commission services.

### 3.1.3. Migration and asylum

The strong links between **migration** and development are acknowledged in the dual framework of EU's development policy, namely the Agenda for Change and the Global Approach to Migration and Mobility - the EU's external migration policy. Maximising the positive impacts of migration on the social and economic development of partner countries has become a key priority. In particular, the Agenda for Change clearly spells out the nexus between development and migration, and on the necessary assistance to “developing countries in strengthening their policies, capacities and activities in the area of migration and mobility, with a view to maximising the development impact of the increased regional and global mobility of people.”

The thematic programme for migration and asylum is designed to address migration issues from a development perspective, but increasingly the geographic instruments also include migration-related programmes. The thematic programme includes five main areas of intervention, namely: fostering the links between migration and development; promoting well-managed labour migration; fighting illegal immigration, smuggling and human trafficking; protecting migrants against exploitation and exclusion and promoting asylum and international protection.

In 2012, the EU continued to support partner countries in all migration-related areas. The Annual Action Programme 2012, with a total budget of 58 million, included contracting 29 projects under the 2011-12 call for proposals and five targeted projects.

Through the thematic programme, the EU has continued to play an active role, supporting the main regional and sub-regional **migration policy dialogues** between the EU and partner countries. These include: the Rabat Process on Migration and Development; the EU-Africa Migration Mobility and Employment Partnership; the Prague Process and the EU-CELAC migration dialogue.

On **migration and development**, the EU continued to promote the involvement of small scale actors and diaspora organisations to contribute to the development of their countries of origin. In the area of remittances, where the EU has adopted significant commitments, support has included the provision of capacity building to partner countries, to individual remittance senders and recipients as well as other stakeholders with a view to developing and implementing concrete strategies and operational instruments to use remittances as development tools for poverty reduction.

EU support has significantly contributed to the reinforcement of the **labour migration** management of partner countries and support to circular migration schemes has contributed to meeting demand for labour, particularly concerning seasonal workers.

Regarding human trafficking, the EU has supported comprehensive interventions covering prevention, protection and prosecution, with a victim-centred and human rights-based approach. Awareness raising campaigns, improved protection and assistance of trafficked victims and enhanced cooperation between civil-society and criminal justice actors have resulted in an improved awareness of the risks posed by trafficking.

As regards preventing and combating irregular migration, the EU has decided to support the establishment of the Seahorse Mediterranean network, which should increase the capacity of the authorities of North African countries to cooperate with the EU on border surveillance and respond to emergencies requiring search and rescue of stranded migrants or asylum seekers.

Finally, the support to so called Regional Protection Programmes have succeeded in establishing the conditions for long term and sustainable solutions for **asylum and international protection** related issues; this approach was particularly successful under the framework of the Regional Protection Programme in Eastern Europe implemented in cooperation with the UN Refugee Agency (UNHCR).

#### **3.1.4. Environment and sustainable management of natural resources including energy**

Environmental protection, climate change and sustainable development remained key topics for the Commission in 2012. It sought to address these issues through geographic support, utilising funds from the thematic programme for environment and the sustainable management of natural resources including energy (ENRTP) and innovative initiatives such as the GCCA, FLEGT and EU Water Facility.

The Commission measures aid that contributes to meeting the objectives of the three Rio Conventions' objectives on biodiversity, climate change and desertification using the 'Rio marker' system. This system relates to the reporting to the Organisation for Economic Cooperation and Development's Development Assistance Committee (OECD DAC) through its Creditor Reporting System database. Based on this tracking it is estimated that EUR 500 to EUR 600 million were committed to climate change and environment-related activities in 2012. This includes part of the new and additional funds made available by the Commission (EUR 55 million) and EU Member States (EUR 8.6 million) to provide "fast start financing" for climate change actions.

In addition, there are many geographical projects and programmes that address these themes indirectly: environment and climate change issues are increasingly integrated and mainstreamed in project preparation and appraisal. The total amount of the portfolio allocated for sustainable development is thus considerably higher.

In line with the orientations of the Agenda for Change, the ongoing programming for 2014-20, and the Rio+20 and related processes, policy development in the water sector has shifted focus from access to water and sanitation to a more integrated approach that takes into account economic aspects of water (energy and agriculture). The nexus between water, energy and agriculture was highlighted in the European Report on Development published in 2012.

A number of initiatives took place in the area of sustainable energy development. High quality geographical information on renewable energy sources in Africa was systematically collected by the Commission's Joint Research Centre (JRC) in support of the UN "Sustainable Energy for All" (SE4ALL) initiative. With over 600 members, the web-based African and

Renewable Energy Platform (AFRETEP) was developed to help set up a broad network of African research institutions on renewable energy. Three capacity-building workshops were carried out in cooperation with universities in Uganda, Burkina Faso and South Africa to accelerate continent-wide knowledge development in this field through the training of trainers. The project "Scientific and Technical Support to Sustainable Energy Development in Africa: Rural Electrification, Renewable Energy and Communication" (RENAF), implemented by the JRC and EuropeAid, developed a consolidated technical and socio-economic base to assess rural electrification projects and define the criteria needed to choose between grid extension and off-grid solutions. The findings were presented at the High Level Energy Forum "Towards Sustainable Energy For All in West Africa" in October 2012 in Accra, Ghana.

### **Major highlights of 2012**

#### **More countries seek *FLEGT*, accord for timber exports**

In 2012, four countries – Laos, Guyana, Côte d'Ivoire and Honduras – sought to open negotiations on a Forest Law Enforcement Governance and Trade Action Plan (FLEGT) with the EU. Each FLEGT voluntary partnership agreement with a country involves the conclusion of a legal framework for the forestry sector and timber exports. Guarantees relate to access to resources, processing, transport taxes and fees, and respect for the rights and welfare of indigenous communities. The FLEGT programme seeks to exclude illegal timber from the global market and ensure that the forestry sector contributes to a country's overall development.

Ghana, Cameroon, Congo, Liberia, Central African Republic and Indonesia all currently implement FLEGT agreements. Negotiations are ongoing with: Gabon, Democratic Republic of Congo, Malaysia and Vietnam.

#### **Global Climate Change Alliance expands initiatives**

In 2012, the EU pledged EUR 36.6 million – mostly fast-start funding provided by the EU, Ireland and Cyprus – for six new initiatives in Burkina Faso, the Central African Republic, Lesotho, Papua New Guinea, Timor Leste and the Eastern Caribbean under the Global Climate Change Alliance (GCCA). Projects will reduce emissions – caused by deforestation and forest degradation – by improving forest land and natural resource management, and bringing in changes to agricultural practices and energy use.

An EU initiative launched in 2007, the GCCA is a platform for dialogue and exchange of experience between the EU and developing countries on the integration of climate into policy-making. It is notably a forum for LDCs and Small Island Developing states (SIDs) – the most affected by climate change but least responsible for creating greenhouses emissions. The GCCA also provides technical and financial support to integrate climate change into policies and budgets and promote development which takes climate change account.

One of the benefits of the initiative is that lessons learnt and best practices in one part of the world can be shared and replicated elsewhere. For example, the pledging of budget support to Bhutan and the Solomon Islands helped design a plan for Lesotho. A meeting of the GCCA held in Brussels in September 2012 gathered 160 delegates from beneficiary countries and organisations with development partners and EU Member States.



### **Protecting biodiversity hotspots**

In 2012, the Commission launched a call for proposals to develop frameworks for the sustainable financing of protected areas in LDCs. In 2012, the EU also joined the Critical Ecosystem Partnership Fund, a multi-donor fund providing small grants for non-governmental organisations and private sector organisations to help protect biodiversity hotspots in developing countries.

### **EU water support in spotlight**

The Commission was closely involved in the preparation of the 6th World Water Forum in Marseille in March 2012, as coordinator for the session on international cooperation within the European regional process. EU Commissioner Andris Piebalgs attended the opening day of the forum, chairing a session which highlighted the achievements of the activities of the EU Water Initiative (EUWI), launched ten years ago. A new China-EU Water Platform was inaugurated in Marseille where the EU also showcased the ACP-EU Water Facility. The 10th Anniversary of EUWI was also the object of a multi-stakeholder event during World Water Week 2012 held in August in Stockholm.

### **Joint Research Centre improves aid effectiveness in water sector**

The European Commission's Joint Research Centre (JRC) developed two web-based tools to improve the effectiveness of projects financed in the water sector. The Water and Energy Facilities Information System (WEIRS) is providing support for the overall evaluation of projects calls launched under the respective Water and Energy Facilities. It will also enhance analysis and information under upcoming calls for proposals. The Water Knowledge Management System (AQUAKNOW) – has been designed to improve exchange of information on water issues in developing countries among the international community. Customised and online Geographic Information System (GIS) modules facilitate geographic data-sharing, provide a database with geo-referenced layers, and allow non-GIS users to perform joint spatial operations for data analysis, upload technical project data and customise their own maps and graphs.

### **JRC/FAO capture data on shrinking global forests**

The report, 'Global forest land-use change 1990-2005', published in 2012 by the UN Food and Agriculture Organisation (FAO), has resulted from the Rome-based body's long-term cooperation with the JRC. Data compiled from more than 200 forest remote sensing and land-use experts from 100 countries, reveals a net decrease in global forest area between 1990 and 2005, with the highest net loss in South America.

### **EU contributes to the Great Green Wall for the Sahara and Sahel**

EU support of EUR 1.4 million is helping to implement the Great Green Wall for the Sahara and Sahel Initiative<sup>69</sup> (GGWSSI) – an African flagship programme to combat desertification, adapt to climate change and alleviate poverty. It is one of the priority activities under

---

<sup>69</sup> <http://www.fao.org/partnerships/great-green-wall/in-action/vision/en/>

partnership 6 of the Africa-EU strategy. The funding from the Environment and Natural Resources Thematic Programme (ENRTP) has supported the initial implementation phase of the project. Activities in 2012 included:

- the preparation and adoption by the African Ministerial Conference on the Environment (AMCEN) in September 2012 of a regional harmonised strategy for the implementation of the GGWSSI;
- the drawing up and adoption of national action plans in eight countries (several of them already adopted);
- the formulation of cross-border initiatives for sustainable land management, with three of them already formulated and their investment plans prepared; and
- the preparation of comprehensive capacity building and resource mobilisation strategies in support of the GGWSSI.

### **3.1.5. Food security**

The EU's Food Security Thematic Programme (FSTP) seeks to improve the food security of the poorest and most vulnerable by mainly addressing the global, continental and regional dimensions associated with hunger and under-nutrition. It does this by focusing on global public goods and challenges, by: supporting research, technology transfer and innovation; strengthening governance at various levels and by addressing food insecurity in fragile situations by ensuring transition from relief to development. The programme's efforts go hand in hand with direct bilateral cooperation with partner countries.

#### **Agricultural research, technology transfer and innovation: 2012 progress**

The FSTP supports agricultural research, extension and innovation to create public goods, in the form of knowledge, technologies and capacity and to make them accessible to the rural poor so that they impact positively on food security, nutrition and poverty reduction. The EU works with international research centres, continental and sub-regional research organisations associated with the Comprehensive Africa Agriculture Development Programme (CAADP) in Africa, and successful consortia under competitive calls for proposal.

New programmes with a total value of EUR 50 million were contracted in 2012. Noting the wastage of crops that commonly occurs prior to harvest, focus was put on extending research and training available to farmers and reducing pre-harvest crop losses. Support was given to the African Forum for Agricultural Advisory Services (AFAAS) to develop and test innovative approaches to extension and to CABI (Centre for Agricultural Bioscience International) to roll out its well established model of plant health clinics to seven African countries. There is also increasing concern over the health of bees which are vital for the pollination of important crops. The Commission took the lead in an initiative to address diseases of pollinator bees with the International Centre for Insect Physiology and Ecology (icipe) and the African Union (AU).

The Commission regularly monitors the performance of programmes on agricultural research for development and is keen to learn lessons and identify evidence of impact. Some existing long-term programmes now directly impact the food security and livelihoods of farmers. These include the Sub-Saharan Africa Challenge Programme, led by the Forum on

Agricultural Research in Africa (FARA) which connects farmers and researchers to markets through innovation platforms. The breeding programmes of the World Fish Centre (part of the Consultative Group on International Agricultural Research, CGIAR) such as the International Rice Research Institute (IRRI) in the Philippines, have created new varieties that combine stress tolerance or nutrient enrichment with higher yields of rice, and made these available to a large number of farmers. Other high impact programmes include aquaculture, led by CGIAR and aimed at very poor and marginalised groups in Bangladesh, and the introduction of a tsetse resistant collar for livestock which is raising the incomes of pastoralists in the semi-arid regions of Kenya.

Dialogue at policy level is essential to achieve widespread impact and the Commission is active in international discussions on agricultural research systems to ensure that it is demand-driven and better aligned to the needs of poor smallholders. The Commission, which currently sits on the fund council of CGIAR and FARA's executive boards, is a strong supporter of the Global Forum for Agricultural Research (GFAR) which brings a multi-stakeholder perspective and emphasises partnerships and capacity building. In 2012 the EU contributed to the technology platform of the G8 New Alliance for Food Security and Nutrition. At the European level, the Commission supports coordination of policy and programming on agricultural research for development through the European Initiative on Agricultural Research for Development (EIARD).

### **Strengthened governance approaches for food security: progress 2012**

A highlight of 2012 was the start of a EUR 40 million programme managed by the Food and Agriculture Organisation (FAO) with support from the International Fund for Agricultural Development (IFAD) and the United Nations World Food Programme (WFP). The programme aims to improve coordination and inform food security and nutrition governance at the global, regional and national levels. The reinforcement of the Committee on World Food Security (CFS) as the central body on food security, and in particular the High Level Panel of Experts and the Civil Society Mechanism, are important outcomes. In order to help prevent food crises, and to reduce their effects if they occur, the Food Security Information Network (FSIN) aims to provide better information and common standards and methodologies. Launched in October 2012, it has developed new e-learning materials, provided on-site training as well as a series of successful online forums.

Assisted by the FSTP, the JRC provided technical and scientific support to improve food security information in Sub-Saharan Africa, supported the Integrated Food Security Phase Classification (IPC) tool and participated in food security assessment missions in many Sub-Saharan African countries. In addition, it analysed the policy impact at farm-household and regional level in Sierra Leone and the Ivory Coast and provided satellite remote sensing technologies to UN Agencies in Somalia to help implement and monitor EU-funded rural projects in the aftermath of the 2011 food crisis.

The pressure on agricultural land and the increase in large-scale agricultural investments in developing countries highlights the need to secure smallholders' and rural communities' access to land and to improve agricultural investment regulations. In the context of food security, the "Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security" (VGGT) were adopted in May. With the active support of the Commission, these were the product of negotiation between governments, international organisations, civil society and the private sector. EU partnerships with specialised institutions, such as the FAO, the International Land Coalition and, at AU level, the Land Policy Initiative, are improving land governance. An ambitious programme is now under preparation to support the implementation of the Voluntary Guidelines in a number of African countries, following the EU's commitment to the New Alliance launched at the G8.

Moreover the FSTP provided EUR 5 million to the secretariat of the Scaling Up Nutrition (SUN) movement which supports national efforts to accelerate actions and ensure that adequate nutrition is provided for the 1 000 days from pregnancy to the child's second birthday. By the end of 2012, 33 developing countries had joined SUN accounting for 59 million of the world's 165 million stunted children. EU Development Commissioner, Andris Piebalgs, is part of the Lead Group which governs SUN.

### **Addressing food security for the poor and vulnerable in fragile situations: progress in 2012**

The FSTP plays a major role in developing coherence and forming synergies between emergency and development operations. In 2012 the FSTP provided significant funds to address the food crisis in West Africa (Burkina Faso, Chad and Mauritania) by supporting farmers to restore their productive assets.

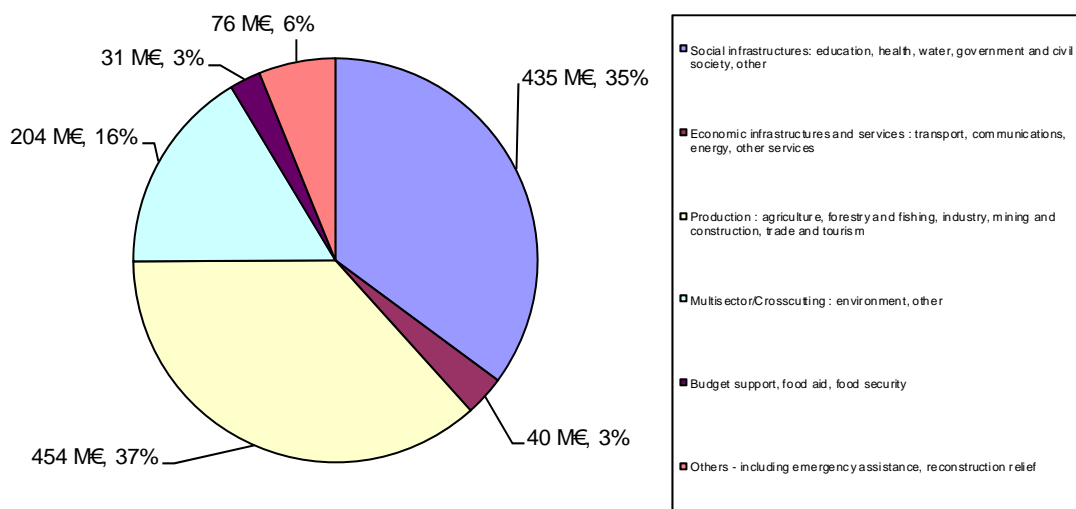
#### **LIFT raises food availability and incomes in Myanmar/Burma**

The Livelihoods and Food Security Trust Fund (LIFT) for Myanmar/Burma is aiming to improve both food availability and the incomes of two million poor and vulnerable people. To increase agricultural productivity, the programme is providing better access to inputs such as access to seeds and fertilisers and markets, as well as encouraging farmers to use technologies and rehabilitate the environment. The provision of clean water for villages in dry areas, support for non-agricultural job activities and vocational training are among the programme's other initiatives.

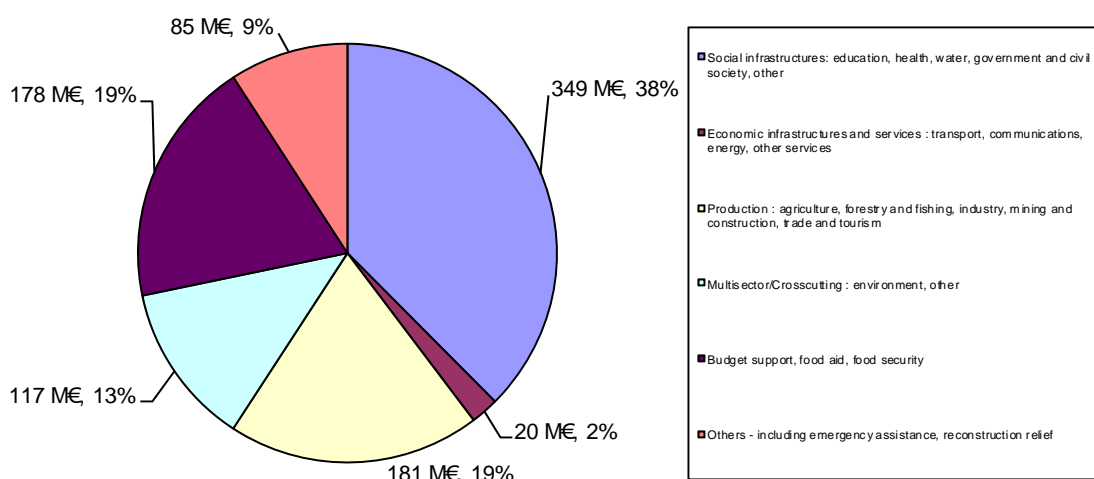
Underway since 2010, as of June 2011, LIFT had provided assistance to an estimated 170 000 households; mainly in the Irrawaddy Delta. This includes training support to 50 000 farmers which resulted in an increase of 20-60% in the area of land cultivated and a 40-60% increase in yields. Incomes also rose due to reduced farming costs and assistance to 60 000 small producers in livestock-farming and fisheries.

**Table 27 DCI Thematic - Breakdown by sector of external aid financed on the general EU budget managed by EuropeAid in 2012**

**Commitments in €million**



**Disbursements in €million**



Bilateral and multilateral ODA (EuropeAid only). Including Food Facility.

**Table 28 DCI Thematic - External aid financed on the general EU budget managed by EuropeAid**

€millions	2008	2009	2010	2011	2012
<b>Commitments</b>	956	1 854	1 204	1 173	1 287
<b>Disbursements</b>	838	1 233	1 210	1 044	968

Bilateral and multilateral flows (EuropeAid only).

<b>Table 29 DCI Thematic - General and sector budget support per country</b>				
Commitments in € million				
<b>Country</b>	<b>GBS / SBS</b>	<b>Sector</b>	<b>Description</b>	<b>Total</b>
Guyana	SBS	Industrial crops/export crops	2012 Sector Budget Support programme in the framework of accompanying measures for Sugar	23.36
Lesotho	SBS	Environmental policy and administrative management	Lesotho has now requested assistance from the EU through the GCCA to identify a support programme for adapting national policies to climate change in Lesotho	4.00
Mauritius	GBS	General budget support	This will be a successor programme to the PSED programme that ran over 2010-2012, with the objective of contributing to the economic and social reforms undertaken by Mauritius	30.77
South Africa	GBS	General budget support	The main objective is to support the implementation of the national development policy and strategy of the Government of South Africa as stipulated in the Medium Term Strategic	124.45
St. Kitts-Nevis	SBS	Multisector aid	The programme will focus on socio-economic development and poverty reduction by promoting three complementary sub-sectors: i) social protection ii) private sector development	12.93
<b>Grand Total</b>				<b>195.50</b>
GBS : General Budget Support				
SBS : Sector Budget Support				

### **3.2. Democracy and human rights**

#### **EIDHR and democracy support**

The EU is increasingly applying a comprehensive approach to democracy support, including through the European Instrument for Democracy and Human Rights (EIDHR).

For over a decade, the EU has supported human rights and democracy education with the European Inter-University Centre (EIUC) in Venice. In January 2012, the EIUC and five similar Regional Master's Programmes (RMPs) signed a Memorandum of Understanding establishing the Global Campus - a network of human rights and democracy education in Europe, the Balkans, Africa, Asia-Pacific, Latin-America, and the Caucasus - with funding from EIDHR thus increasing access to and strengthening high quality democracy and human rights education in areas of the world where such education remains limited.

#### **Freedom of expression and media support**

Freedom of expression and opinion as well as a free, independent and plural media are important pillars of the Commission's democracy support around the world. The EU has a long track record of providing support to independent media as well as capacity building for journalists which to a large extent has been financed by the EIDHR. The EIDHR 2012 global call for proposals focuses on projects fighting cyber-censorship and protecting the confidentiality of activists. The EIDHR had already invested in internet access before the Arab Spring, and is currently financing a project protecting independent bloggers, writers and

journalists in Syria, as well as freedom of expression projects focusing on legislation regarding the media and the Internet in Yemen.

### **Conferences and studies**

On International Democracy Day in September 2012, the EEAS and Commission organised an event in Brussels on the EU's contribution to democracy support and on strengthening the EU's political party support. The aim was to put a stronger focus on political party support as a stand-alone item in the EU's comprehensive democracy support agenda.

"Elections and ICT (Information and communication technologies)", a thematic workshop attended by over 200 participants, involving representatives of electoral commissions from many developing countries, was held in Mombasa, Kenya in March 2012. The workshop, organised in collaboration with UNDP, focused on knowledge and policy development, as well as on collaboration with the main players in the field of electoral assistance.

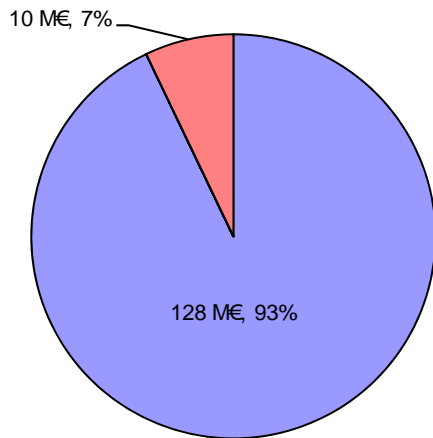
To meet the challenges and grasp the opportunities in the current media landscape a study was carried out to provide recommendations for future strategies on freedom of expression assistance as a part of international development cooperation. Based on lessons learned, the study proposes practical tools for programme and project management.

The increased importance of democracy in the EU's agenda for external action has brought about a major interest in democracy indicators. The study conducted by Varieties of Democracies (V-Dem) developed by Gothenburg University in September 2012, is a unique tool for the assessment of democracy, consisting of a comprehensive database of 400 indicators per country, with a worldwide coverage that spans from 1900 until the present.

Finally, a "Study on Performance Indicators for EU Parliamentary Support" carried out by AETS in September 2012, provides practical advice on how to design and implement parliamentary support projects in new and emerging democratic parliaments, identifying seven themes, namely: legislation, oversight, budget, representation, administration, inclusivity and institution building.

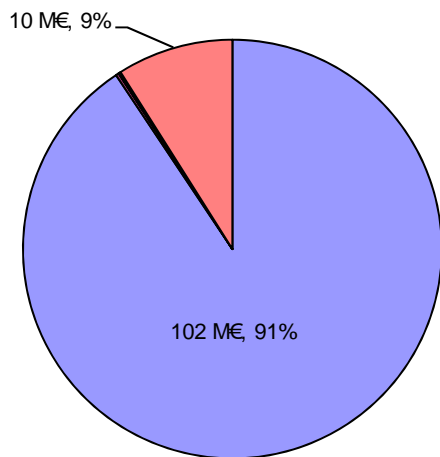
**Table 30 EIDHR - Breakdown by sector of external aid financed on the general EU budget managed by EuropeAid in 2012**

**Commitments 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
- Others - including emergency assistance, reconstruction relief

**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
- Others - including emergency assistance, reconstruction relief

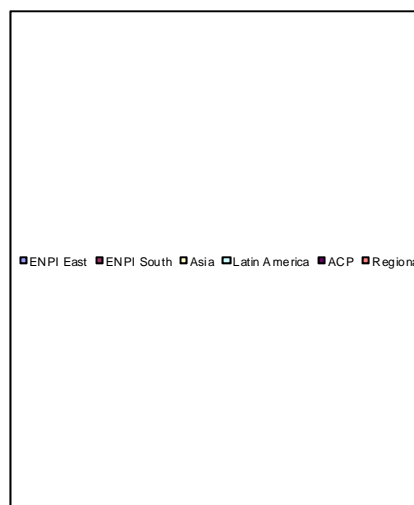
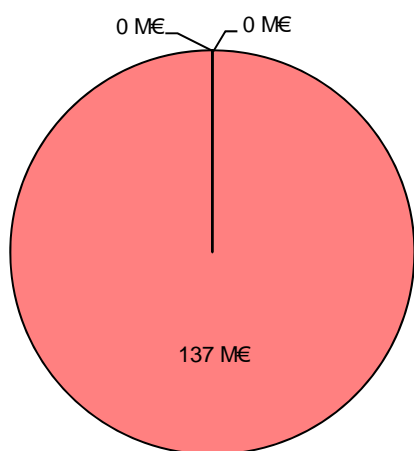
Mains sectors : Government and civil society, Administratives costs related to EIDHR  
 Bilateral and multilateral ODA (EuropeAid only).

---

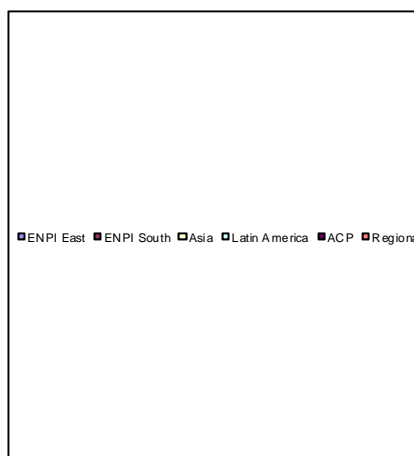
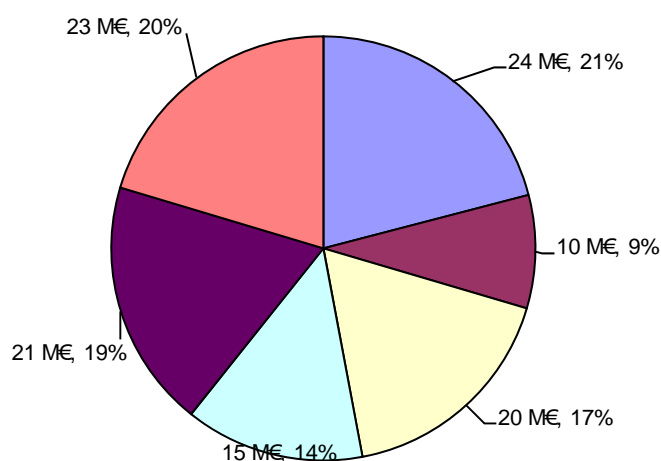


**Table 31 EIDHR - Breakdown by region of external aid financed on the general EU budget managed by EuropeAid in 2012**

**Commitments (€million)**



**Disbursements (€million)**



Beneficiary countries not identified at commitment stage. (multi-regional call for proposal)  
 Bilateral and multilateral ODA (EuropeAid only).

**Table 32 EIDHR - External aid financed on the general EU budget managed by EuropeAid**

€millions	2008	2009	2010	2011	2012
<b>Commitments</b>	153	162	166	130	138
<b>Disbursements</b>	121	131	160	102	124

Bilateral and multilateral flows (EuropeAid only).

### **3.3. Stability**

#### **3.3.1. Crisis response and preparedness**

In 2012, the EU addressed several major crises, including the protracted Arab Spring upheavals across North Africa and the Middle East. The EU also responded to pressing situations of fragility and post-crisis in Niger, Mali, Chad, Pakistan and other parts of the world, all of which required effective and timely interventions. Actions have aimed to help stabilise countries and enhance their resilience. Both at political and operational levels, the EU has been very active in bringing quick and appropriate responses to people's needs.

#### **Building resilience, assuring flexibility and focusing on state building**

The year 2012 saw intensified cooperation between the EU services responsible for development aid, humanitarian aid and external action to provide a more efficient and coordinated approach to crises. When responding to the needs of vulnerable people and countries, donors need to ensure a smooth phasing out of emergency situations to longer term stability and development.

While humanitarian action cannot, and should not, be a long lasting form of intervention, development aid should address fragile situations through structured long-term interventions which are informed by the results of previous humanitarian actions. Hence "Linking Relief, Rehabilitation and Development" (LRRD) both avoids a fall back into crisis as the initial relief effort is scaled down and increases the chances of success of development policies when implemented in a crisis-prone country. Against this background, the new policy framework for LRRD has been spelled out in the new communication "The EU Approach to Resilience: Learning from Food Crises" adopted in 2012. The policy builds on the promising results of the SHARE and AGIR EU resilience building initiatives as part of its response to the drought crises in Africa (for more details see chapter 2 part 2.1).

Thus, in 2012, the EU started implementing the resilience policy principles on the ground by reviewing best practice in a series of partner countries, systematising them and working on methodologies for a better articulation of humanitarian and development aid.

In disaster-affected countries, people face urgent and basic needs in order to survive. A flexible response to meeting these requirements is essential. The Commission has proposed instruments and rules in the 2014-20 MFF which would make EU assistance even more responsive to such needs. The EU wishes to be able to rapidly source and reallocate development money in support of the recovery and transition of countries coming out of crisis. These proposals have been the subject of constructive discussions between the various EU institutions with a view to their adoption in 2013.

In parallel to these discussions, the EU included fragility as a core issue in its external assistance programming as well as in the training given to its staff deployed in developing countries and at headquarters.

Adopted by the international community of donors and fragile countries in 2011 the New Deal stresses the importance of the Peacebuilding and Statebuilding Goals, including: inclusive politics, security, justice, economic foundations, revenues and services. With this new approach to fragility, state-building is at the core of EU support to countries in fragile

situations and is emphasised in the Agenda for Change. In 2012, the EU participated in the operationalisation of the New Deal principles. A preliminary result was that in 2012 the EU and France decided to work in partnership in the Central African Republic to pilot the implementation of the New Deal on the ground.

### **The Instrument for Stability**

The EU can respond to crises by using the Instrument for Stability (IfS). Working in close cooperation with the EEAS, as well as EU Delegations and relevant Commission Services, the IfS was regularly deployed to complement geographic external assistance programmes and, when windows of opportunity arose, to prevent, mitigate or resolve crises requiring rapid reaction. In 2012, the Commission's Service for Foreign Policy Instruments committed EUR 203.9 million via some 40 short-term crisis response measures. This enabled the EU to act quickly to help prevent, stabilise and respond to emerging or actual crisis situations linked to serious political conflicts (as well as some man-made and major natural disasters).

EU crisis response actions under the IfS have a wide geographic and thematic scope. The examples that follow illustrate a range of IfS areas of intervention:

Elections are often key elements on the path to recovery from crises and IfS election support was evident in 2012 in conflict-prone areas in various regions. Projects were launched in Guinea Bissau, Togo, Burkina Faso, Zimbabwe, Madagascar, Kenya, Pakistan, Afghanistan and Haiti. Crucially, these election support measures provide assistance outside the realm of previously foreseen election cycles.

Another example of IfS measures in 2012 was peace-building support in Asian countries. The IfS has accompanied the peace process in the Philippines and has been present in the Myanmar/Burma transition, promoting reform, local peace processes and resettlement through support for mine clearance projects.

Building on initial responses to the Arab Spring in 2011, the IfS quickly put in place other interventions across the Middle East and North Africa (MENA). There was a significant package of assistance in response to the conflict in Syria and the affected populations in the region. In Libya, further IfS support was given to help build national capacity to respond to crisis situations, to protect vulnerable groups and to help with the clearance of unexploded ordnance. Assistance was also provided for a needs assessment for integrated border management in Libya, paving the way for a subsequent Common Security and Defence Policy (CSDP) exploratory mission.

In Sub-Saharan Africa, the IfS supported stabilisation and pilot projects to promote early recovery in Somalia as well as the demobilisation of forces in the Central African Republic and Chad as well as peace-building efforts in Nigeria and Burundi.

Following the earthquake in Haiti in 2010, the EU focused on reinforcing the crisis preparedness capacities of the Haitian administration through setting up a situation room and training its Haitian staff. This situation room permits continuous situational awareness of natural disasters and intervention planning and coordination.

The IfS also launched actions to build on its earlier assistance with respect to: efforts to secure a peaceful settlement of the conflict in Nagorno-Karabakh; the stabilisation of Georgia's breakaway regions and the Special Tribunal for Lebanon.

In addition to the crisis response actions mentioned above, the EU also committed a further EUR 22 million of IfS programmable funds for pre- and post-crisis preparedness and related capacity-building, in the framework of the "IfS Peace-building Partnership". In doing this the EU worked with a wide range of stakeholders, including: the UN, and other international bodies; EU Member State agencies; NGOs and other civil society actors. The measures approved in 2012 were as follows:

- improving the capacity of Non-State Actors: EUR 8.5 million was allocated to conflict prevention and peace-building, leading to projects through the EU Delegations to Brazil, El Salvador, Nicaragua, Haiti, the Democratic Republic of Congo, India and Kyrgyzstan targeting the themes of: women, peace and security, children, youth, mediation, dialogue and transitional justice, climate change, natural resources and conflict.
- promoting early warning capabilities: a global call for proposals for early warning with non-state actors (EUR 5 million) was prepared by the Commission working in close cooperation with the EEAS. An open call for tender targeting civil society actors was launched in 2012 and should lead to contracting in early 2013. A capacity building proposal for regional and sub-regional partner organisations active in the field of crisis response and early-warning was adopted (EUR 3 million). Following an EU scoping mission in June 2012, an action promoting crisis response within ASEAN and its member states was defined. This is expected to be implemented in 2013 by a consortium of EU Member State agencies. The second phase of the EU's technical cooperation with the AU's Situation Room on its Continental Early Warning System (CEWS) concluded successfully in 2012. Thanks to regular technical training of AU and Regional Economic Communities staff, the Situation Room operates state-of-the-art information mining and analysis systems which underpin its CEWS.
- climate change, natural resources and international security: a EUR 1.5 million action on climate change and security in Eastern Europe and Central Asia was contracted, while a Memorandum of Understanding was signed with USAID, paving the way for the contracting of a EUR 1 million Property Rights and Artisanal Diamond Development action.
- reinforced EU cooperation to build expert capacities for international crisis response: the IfS supported 'Europe's New Training Initiative for Civilian Crisis Management' (ENTRi). This is a unique capacity building programme focusing on the preparation and training of civilians who will either commence, or are already involved in, crisis management missions worldwide. Such missions include those of the EU, the UN, the Organisation for Security and Cooperation in Europe (OSCE) and the African Union (AU). Deployment of ENTRi-trained civilian experts were made to key locations such as the HoA, South Sudan, the Sahel and Afghanistan. A proposal for a follow up programme (ENTRi II), appraised in 2012, is scheduled to begin in April 2013.

### **3.3.2. Global and regional trans-border challenges**

Actions to address global and regional trans-border challenges are funded under the long-term component of the IfS. These cover trans-regional security threats, as well as chemical, biological, radiological and nuclear (CBRN) risks.

The CBRN Centres of Excellence initiative, which aims to build institutional capacities to mitigate the risk of CBRN and threats to third partner countries, was further implemented in 2012 and most of the eight secretariats will be fully operational by the end of 2013.

A total of EUR 21.5 million was recently earmarked for four regional Centres of Excellence located in the Middle East, the Mediterranean basin, the southern Caucasus and Central Asia and in cooperation with the UN and other major donors. The JRC provided technical support and undertook technical projects in several regions in the field of nuclear detection by providing equipment, technical assistance and training to front line officers. Support is also being provided to countries to help develop their nuclear forensics and response capacities and capabilities.

The second long-term priority of the IfS regulation is to support capacity building in the fight against terrorism, organised crime and threats to critical infrastructure.

There are several projects aiming at preventing and combating terrorism and contributing to global counter-terrorism efforts. In 2012, implementation of the Contre Terrorisme Sahel project continued with a number of capacity building interventions targeting Niger and Mauritania, as well as efforts to strengthen regional cooperation in this area. A study was launched on the Nigeria-based Boko Haram group, while support to a new Counter Terrorism Associated Prosecution Reform Initiative in Pakistan aims to improve the ability of Punjabi agencies to successfully investigate, prosecute, convict and detain terrorists. New actions on countering the financing of terrorism in the HoA region and countering violent extremism in Pakistan and the HoA were also in preparation in 2012.

In the area of organised crime, work continued in ten countries on the Heroin Route (including Iran, Pakistan and Afghanistan) and a number of new actions contracted, including a new project on human trafficking. This also supports the new 2012-16 EU Strategy for the Eradication of Trafficking in Human Beings.

Under the Cocaine Route Programme, three joint airport interdiction task forces are now operational in Cape Verde, Senegal and Togo, to support the fight against organised crime on the cocaine route (36 countries are covered in West Africa, Latin America and the Caribbean). A new project was also launched for the setting up of a regional police information system in West Africa with Interpol and there was a new commitment to prevent the diversion of drug precursors in Latin America.

Cyber crime and the fight against the illicit market of falsified medicines are relatively new aspects of global threats to public health and safety. In 2012, two new EUR 8 million operations were identified to strengthen relevant legal frameworks and the capacity of law enforcement and judiciary authorities in key countries.

In order to fight the illicit accumulation and trafficking of firearms, new projects were signed with the African Regional Centre for Small Arms, (RECSA, valued at EUR 2.7 million), the

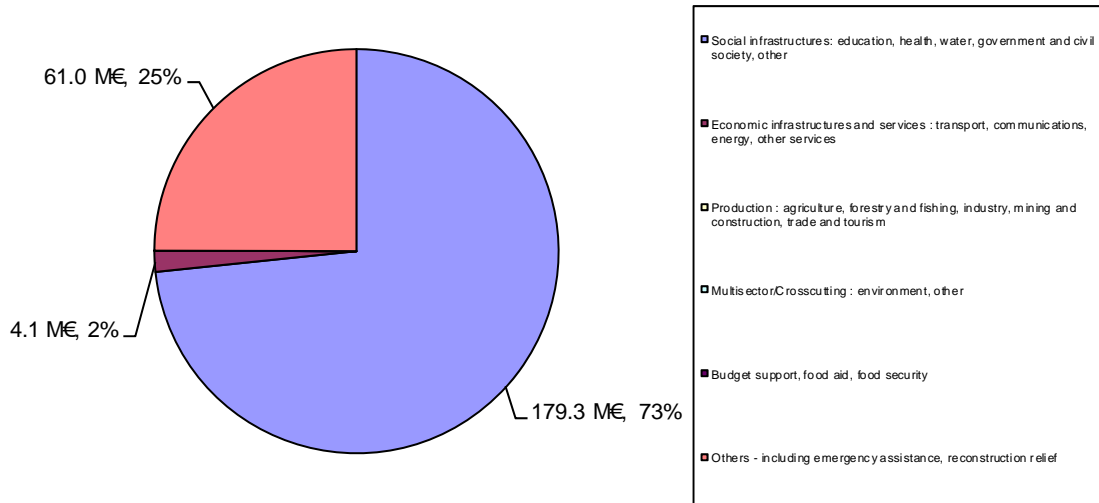
Security Commission of the Central American Integration System (SICA, EUR 2.3 million) and INTERPOL (EUR 1.5 million). These actions are complementary to ongoing work on illicit firearms in Sub-Saharan Africa and South America. Moreover, the EU promoted the full and effective implementation of the UN Programme of Action on the Illicit Trade in Small Arms and Light Weapons (SALW) at its 2012 Review Conference. This is to combat and eradicate the illicit manufacture, transfer and circulation of SALW, including firearms, and to reduce and prevent their negative humanitarian and development impact.

The EUR 16.5 million Critical Maritime Routes programme covers 17 coastal countries of the West Indian Ocean, South East Asia and the Gulf of Guinea. It enhances the information-sharing capacities and enforcement functions of coastal states when trying to achieve safer and more secure maritime traffic by *inter alia* countering piracy and armed robbery at sea. A number of new actions were contracted in 2012, including the training of coastguards in the Gulf of Guinea in a bid to curb pirate attacks off the west coast of Africa.

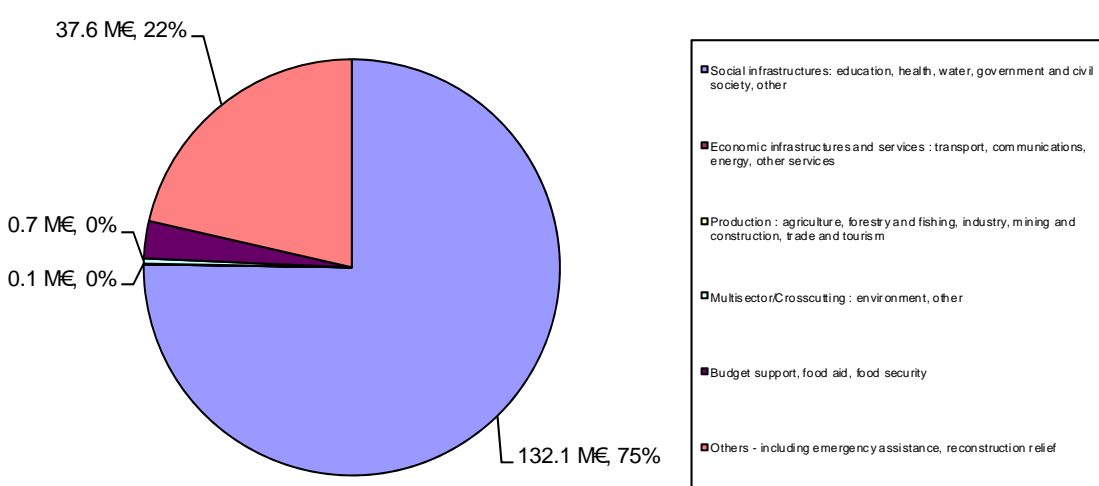
As a contribution to maritime surveillance and the fight against piracy in the HoA and the Gulf of Guinea, the EU carried out two capacity building projects on automated data analysis for regional authorities. Methods were developed and tested by the JRC allowing countries to access state-of-the-art and cost-effective maritime surveillance monitoring tools to secure their maritime routes.

**Table 33 IFS - Breakdown by sector of external aid financed on the general EU budget managed by EuropeAid and FPI in 2012**

**Commitments in €million**



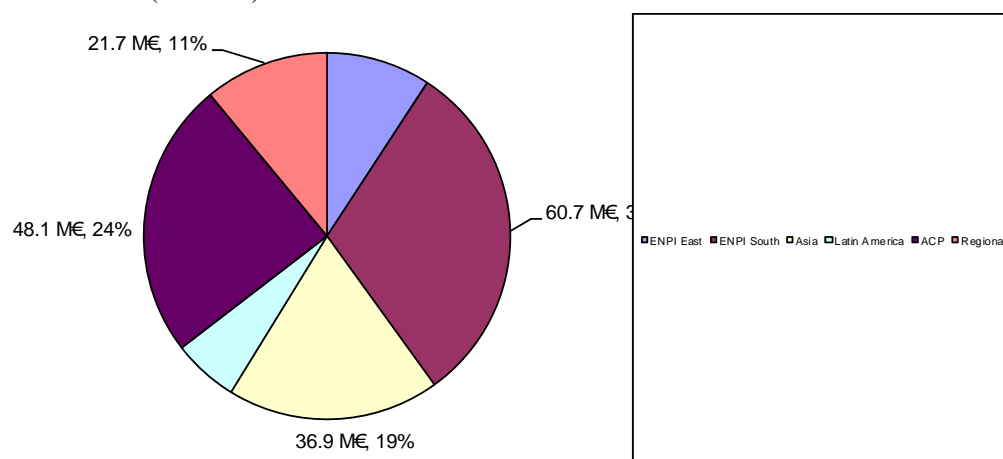
**Disbursements in €million**



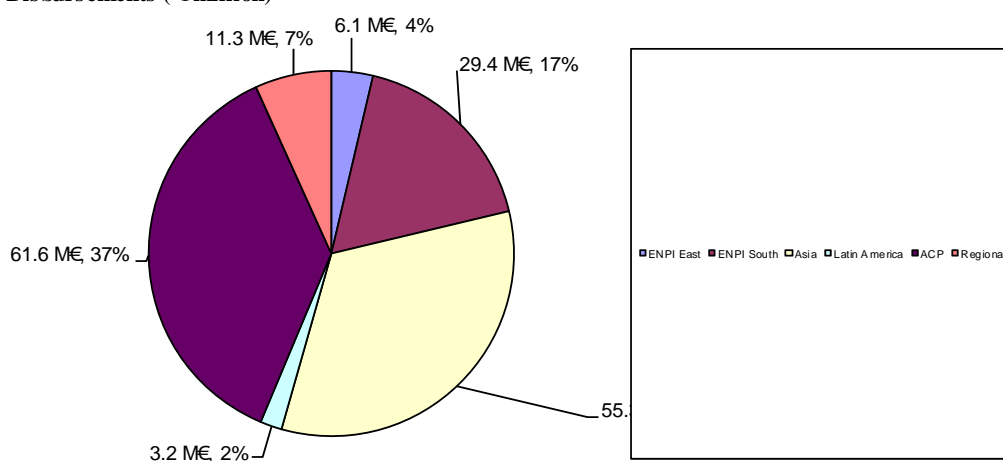
Bilateral and multilateral ODA (EuropeAid + DG FPI)

**Table 34 IFS - Breakdown by region of external aid financed on the general EU budget managed by EuropeAid and FPI in 2012**

Commitments (€million)



Disbursements (€million)



Bilateral and multilateral ODA (EuropeAid + DG FPI)

**Table 35 IFS - External aid financed on the general EU budget managed by EuropeAid and FPI**

€millions	2008	2009	2010	2011	2012
<b>Commitments</b>	181	187	224	291	294
<b>Disbursements</b>	129	144	154	174	216

Bilateral and multilateral ODA (EuropeAid + DG FPI)

### 3.4. Nuclear safety

The new Instrument for Nuclear Safety Cooperation (INSC 2007-13) has as its main objectives the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards of nuclear materials in non-EU countries. In recent years it has substantially extended its geographical coverage. Meanwhile, the EU



continued its support for finalising the nuclear safety projects of the Technical Assistance to the Commonwealth of Independent States (TACIS) programme. An important step under the nuclear safety programme was the installation of a one thousand ton compression force super-compactor in the new radioactive waste treatment facility at the Smolensk nuclear power plant (EUR 10.3 million).

The INSC trend in 2012 has been to reduce support to the operators and design safety issues. All projects in Russia have been finished while projects in Armenia and Ukraine continue. Support to the Ukrainian operator continues to improve the culture of nuclear safety and the quality of human performance. The construction of a radioactive waste management infrastructure in line with European Union best practice is another priority. Support to nuclear regulatory authorities and technical support organisations has been expanding, particularly in Southeast Asia. Radioactive waste management activities increased in Central Asia, particularly with respect to the remediation of contaminated former nuclear mining sites. In the field of nuclear safeguards, the JRC is providing safeguards equipment and training to the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials.

Following the Fukushima-Daiichi accident in March 2011, the EU participated in extending a comprehensive safety assessment of operating nuclear power plants including a peer review of national reports - the "stress tests" - to EU neighbourhood countries. Armenia will benefit from support to carry them out in the framework of the INSC (see below).

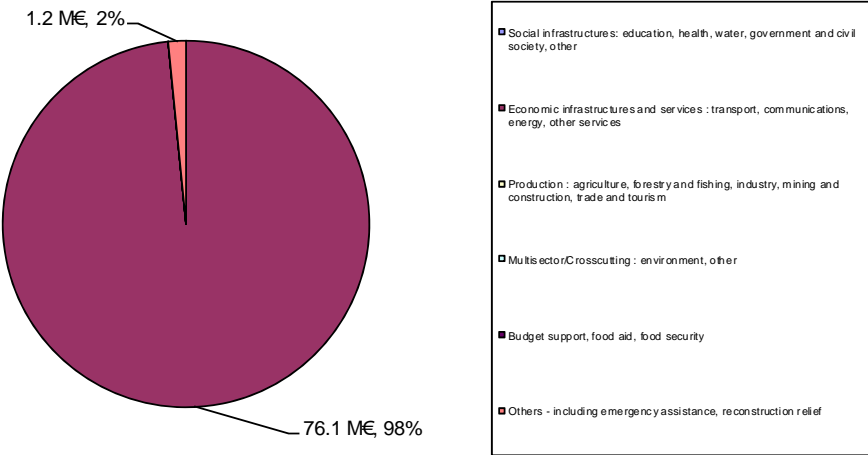
In **Ukraine**, which is the principal beneficiary of INSC support, the EU has continued to cooperate with the regulator and the operator in improving nuclear safety, radioactive waste management and nuclear safeguards, providing EUR 14 million in know-how and equipment to complete the National Training Centre for Maintenance and Management Personnel of NNEGC Energoatom. Financial support of EUR 35 million was again provided for the Chernobyl projects through the **Chernobyl Shelter Fund (CSF)** and the **Nuclear Safety Account (NSA)**, managed by the EBRD on behalf of donor countries. Following completion in 2011 of the stabilisation works on the existing shelter of the Chernobyl Unit 4, assembly of the new safe confinement arch started in 2012. The completion of the project is foreseen in 2015.

In **Armenia**, the EU has continued to cooperate with the regulator and the operator in improving nuclear safety. A final series of important projects were launched to address a wide range of topics at Medzamor Nuclear Power Plant (NPP), including the transfer of the Full Scope Simulator from Bohunice NPP and the supply of a remote system for underwater visualisation of nuclear fuel. The project also helped Medzamor NPP carry out the stress test self-assessment and the update of the safety analysis report has started. These projects tackle urgent safety issues and are being implemented while the plant is operating, although the EU maintains that the plant should be shut down as soon as possible to install replacement generation capacity.

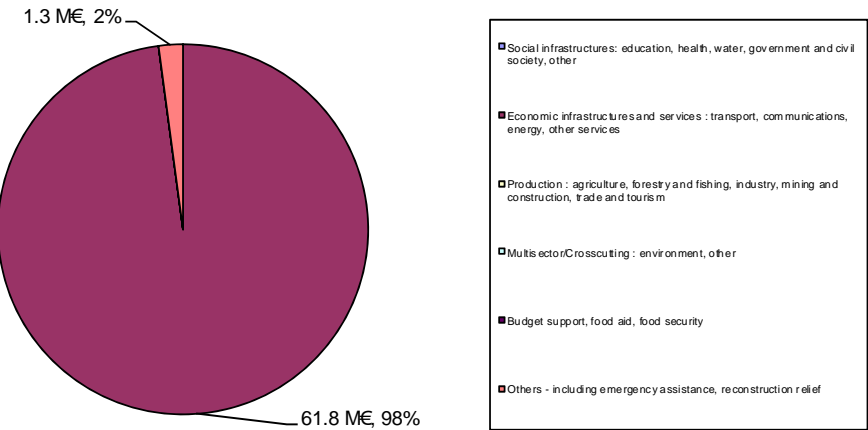
In **Belarus** and **Georgia** cooperation continued for projects supporting the regulatory authorities as well as the safety assessment of a disposal site and an interim storage facility respectively. In **Central Asia**, four major projects were signed in **Kyrgyzstan** and **Tajikistan** to address uranium mining legacy sites and, in **Mongolia**, to establish a regulatory framework for uranium mining. In 2012, the INSC also continued to support the capacity building of nuclear regulators in **Egypt**, **Jordan** and **Morocco**. A training project is underway in **Iraq** to be followed by a project for the safe disposal of radioactive waste from closed-down nuclear

installations. Projects also continued in **Brazil**, while in Mexico, an extensive waste management project was started. In **China**, cooperation started with the regulator, its technical support organisation and with the Chinese Atomic Energy Authority. The cooperation is mainly aimed at enhancing the nuclear safety regulatory regime, as well as China's serious accident preparedness, emergency management and the management of nuclear waste.

**Table 36 NSI - Breakdown by sector of external aid financed on the general EU budget managed by EuropeAid in 2012**  
**Commitments in €million**

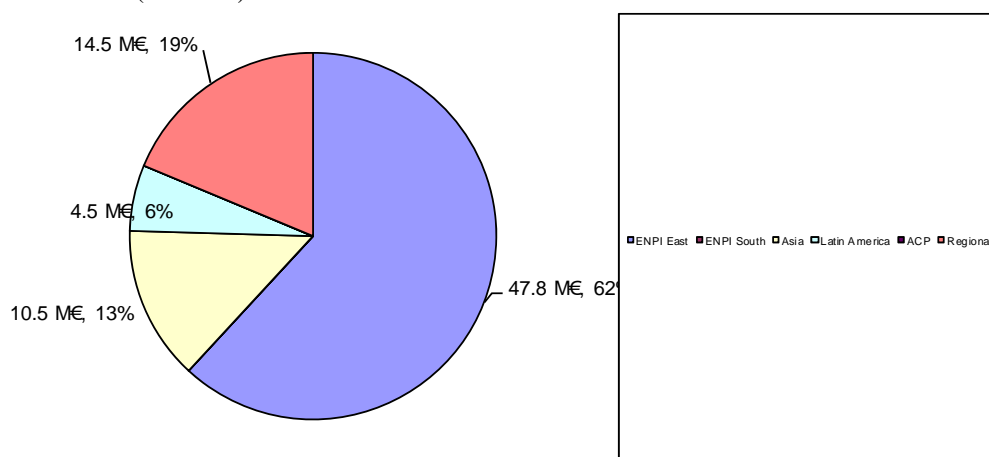


**Disbursements in €million**

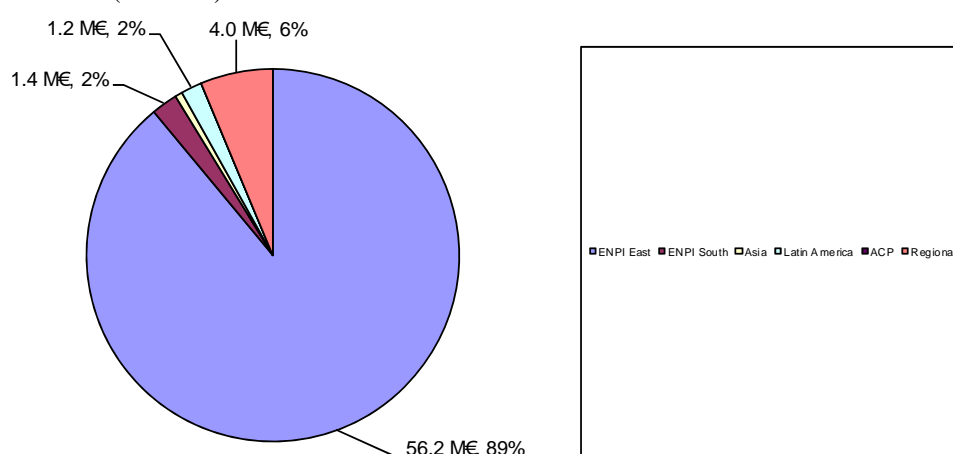


Main sector : Nuclear power plants  
 Bilateral and multilateral ODA (EuropeAid only).

**Table 37 NSI - Breakdown by region of external aid financed on the general EU budget managed by EuropeAid in 2012**  
Commitments (€million)



**Disbursements (€million)**



Bilateral and multilateral ODA (EuropeAid only).

**Table 38 NSI - External aid financed on the general EU budget managed by EuropeAid.**

€millions	2008	2009	2010	2011	2012
<b>Commitments</b>	72.49	74.89	70.63	75.87	77.33
<b>Disbursements</b>	76.33	76.94	88.80	69.56	67.88

Bilateral and multilateral flows (EuropeAid only).

### 3.5. Humanitarian assistance

The EU (the 27 Member States and the Commission) is the world's leading humanitarian donor. The Commission also facilitates coordination with, and among, Member States.

The overall priority is to ensure that humanitarian aid is managed in the most effective and efficient way possible so that it has the maximum impact, while respecting the principles of

international humanitarian law and the principles of impartiality, neutrality, humanity and independence.

With regard to its civil protection mandate, the Commission facilitates cooperation between the 32 States participating in the Civil Protection Mechanism and Financial Instrument (the 27 EU Member States plus Norway, Iceland, Lichtenstein, Croatia and the former Yugoslav Republic of Macedonia) with a view to improving the effectiveness of systems and to prevent and protect against natural, technological or man-made disasters both inside and outside Europe.

### Implementation of humanitarian aid and civil protection

In 2012, the global humanitarian context remained challenging with identified humanitarian needs outstripping available resources.

The Commission intervenes when and where crises or natural disasters occur, helping millions of affected people in third countries and inside the EU. In 2012, the Commission's response to new or protracted crises outside the EU totalled EUR 1.3 billion and consisted of:

- providing humanitarian assistance in 92 third countries out of which 52 highly vulnerable countries/territories.
- activating the EU Civil Protection Mechanism 38 times<sup>70</sup>

**Table 39:**

In 2012, humanitarian and civil protection assistance was provided to the following regions (rounded figures, in EUR million)<sup>71</sup>

Region/country	Amount	%
<b>Africa</b>	<b>681</b>	<b>52%</b>
Sudan & Chad	207	
Central Africa	92	
Horn of Africa	162	
Southern Africa, Indian Ocean	32	
West Africa	188	
<b>Middle East, Mediterranean</b>	<b>265</b>	<b>20%</b>
Middle East	255	
Mediterranean	10	
<b>Asia, Pacific</b>	<b>198</b>	<b>15%</b>
Central and South West Asia	110	
Central South Asia	32	

<sup>70</sup> The figure includes requests for assistance, pre-alerts, and monitoring.

<sup>71</sup> For Civil protection a single amount is indicated, without the detail by country of operations.

South East Asia and Pacific	56	
<b>Latin America, Caribbean</b>	<b>68</b>	<b>5%</b>
Latin America	30	
Caribbean	38	
<b>Worldwide disasters</b>	<b>19</b>	<b>1%</b>
<b>Civil protection outside EU</b>	<b>6</b>	<b>1%</b>
<b>Worldwide assistance and support</b>	<b>86</b>	<b>6%</b>
<b>TOTAL</b>	<b>1 323</b>	<b>100%</b>

The initial humanitarian aid budget of EUR 852 million (EUR 856 million including the external strand of civil protection) was increased several times in 2012 in order to respond to new crises and natural disasters.

Increases in the budget were obtained by transfers of funds from the Emergency Aid Reserve, through the use of the 10<sup>th</sup> European Development Fund (EDF) reserved for humanitarian aid in African, Caribbean and Pacific countries, by EFTA contributions and by transfers from other budget lines within the external aid heading 4. The budget for humanitarian action was implemented via a wide range of implementing partners for example at 47% by NGOs (118 partners), 44% by UN agencies (15 partners) and 9% by International Organisations (three partners).

As in previous years, the majority of funding went to Africa (52 %). Substantial assistance was also provided to the Middle East (Syria and neighbouring countries), to Myanmar/Burma in response to the crisis there, and in response to natural disasters in South East Asia and the Caribbean.

The Commission undertook disaster preparedness actions in regions outside the EU known to be prone to natural disasters, in order to help local communities to react rapidly and efficiently when disaster occurs, so that many lives can be saved. In 2012, the Commission continued to support to Dipecho disaster preparedness programmes in Southern Africa, the Caucasus, Central Asia, South East Asia and Central America.

The response to crises remained varied and multi-sectoral, addressing health (including psychological support, financing of clinics), protection (such as addressing sexual violence), food and non-food supplies, shelter, water/sanitation, reconstruction and rehabilitation.

### **Humanitarian assistance and civil protection priorities**

At policy level, the Commission focused on the following strategic initiatives in 2012:

- continued negotiation on the proposal for a Union Civil Protection Mechanism (UCPM)<sup>72</sup>, The new UCPM aims at supporting, coordinating and supplementing the actions of the Member States in the field of civil protection with a view to improving the effectiveness of systems for preventing, preparing for and responding to natural and man-made disasters.
- the preparation of the legislative proposal on the implementation of the Solidarity Clause<sup>73</sup>, where the Union Civil Protection Mechanism and the related Emergency Response Centre (ERC) are a central element of implementation (with the ERC acting as the initial single 24/7 point of contact at service level for the Union).
- preparations for the creation of the EU Aid Volunteers initiative scheme which advanced significantly with the adoption in September of the Commission proposal for a Regulation<sup>74</sup> establishing the programme with a planned budget of EUR 239 million for the period 2014-20. The scheme would provide financial support to train and deploy volunteers to complement humanitarian aid actions in third countries as well as to build capacity for volunteering in third countries.
- a joint communication by Commissioners Piebalgs and Georgieva calling for increased support to resilience building in the context of EU external action. The lessons learnt from the recent Horn of Africa and Sahel food crises fed into the design. The communication underlines the EU's commitment to strengthening links between humanitarian and development stakeholders so as to address both the symptoms and the underlying causes of crises.
- further implementation of the European Consensus on Humanitarian Aid. Both EU Member States and the Commission maintained their efforts to put in place the key elements of the Consensus Action Plan through various internal and external initiatives. In 2012, the Commission prepared a first Annual Report on the implementation of the Consensus in 2011. The report was prepared on the basis of the input provided by Member States and a Commission mapping exercise conducted in early 2012.
- regular contact with relevant international organisations, in particular the UN and the Red Cross on policy development and operational issues. There was close cooperation with the UN Emergency Relief Coordinator Valerie Amos on efforts to obtain a more inclusive humanitarian aid system through outreach to new partners, as well as the "Transformative Agenda" agreed with the IASC (UN Inter-Agency Standing Committee Task Force) in 2011. This seeks to strengthen the international humanitarian system in the areas of leadership (the role of Humanitarian Coordinators), coordination (more efficient cluster system) and accountability (including more coordinated needs assessments).
- negotiations for a new Food Assistance Convention (FAC), which were successfully concluded in April 2012. The EU has become one of the founding parties of the new Convention, which it ratified in November 2012. The FAC reaffirms donors' commitment to addressing the food and nutrition needs of the most vulnerable, striving to respond to food and nutrition needs with the most efficient and effective tools.

---

<sup>72</sup> COM(2011) 934 final adopted on 20.12.2011 and transmitted to the Council and the European Parliament  
COD(2011)461

<sup>73</sup> Art. 222 TFEU

### 3.6. Macro-Financial Assistance

Macro-financial assistance (MFA) is an external financial instrument for countries close to the EU which address exceptional external financing needs in the form of balance of payment support. MFA therefore contributes to strengthening macroeconomic and financial stability in countries which are neighbours or are geographically close to the EU, while encouraging the implementation of appropriate structural reforms. It complements, and is conditional on, the existence of an adjustment and reform programme with the IMF. MFA can take the form of loans, for which the Commission borrows the necessary funds in capital markets and on-lends them to the beneficiary country or, in some cases, grants, financed from the EU budget, or a combination of loans and grants.

MFA is currently subject to case-by-case legislative decisions, taken jointly by the European Parliament and the Council through the ordinary legislative procedure (co-decision). The Commission proposed to streamline the decision-making process by adopting (on 4 July 2011) a proposal for a Framework Regulation for MFA. The proposed Framework Regulation aims to make MFA faster, more transparent and more effective by speeding up decision-making with respect to individual MFA operations and laying down the key rules governing MFA in a formal legal act. The proposal has been under consideration by the two co-legislators, the European Parliament and the Council in 2012 and discussions will continue in 2013.

In 2012 the co-legislators also considered two Commission legislative proposals for new MFA operations adopted in 2011. These are a proposal to extend MFA to Georgia for EUR 23 million in loans and EUR 23 million in grants and a proposal to extend an exceptional MFA to the Kyrgyz Republic for EUR 15 million in loans and EUR 15 million in grants. The adoption of the relevant decisions has been delayed by disagreements between the co-legislators over procedures to be used for implementation.

Progress was made in 2012 on the implementation of MFA operations already approved. Implementation of the Armenia MFA (EUR 65 million in loans and EUR 35 million in grants) was completed, with the disbursement of the second loan tranche of EUR 39 million in February 2012. Implementation of the Moldova MFA (EUR 90 million in grants) was also completed, with the disbursement of the last tranche of EUR 30 million in April 2012. Obstacles to the implementation of the MFA operation for Bosnia and Herzegovina (EUR 100 million in loans), which was approved in 2009, were overcome, and disbursement of the first tranche (EUR 50 million) is foreseen in the first quarter of 2013. Progress has also been made on the MFA for Ukraine approved in 2010, which, together with the funds available from a previous operation approved in 2002 amount to EUR 610 million in loans. Agreement on the substance of the Memorandum of Understanding has been reached with the Ukrainian authorities and the implementation of the MFA operation could start in 2013, provided that some general preconditions (including an agreement on a new IMF programme) are met.

As regards future possible MFA operations, Egypt and Jordan submitted requests for MFA assistance in November and December 2012, respectively. Discussions with the two countries are ongoing. Lastly, the financial difficulties linked to the major political and economic changes arising from the Arab Spring make additional requests for MFA assistance more likely.

---

<sup>74</sup> COM(2012)514

## 4. CHAPTER 4 MANAGING AID FOR RESULTS

### 4.1. Monitoring project performance

#### 4.1.1. Project results: results-oriented monitoring

For more than 10 years, the Commission's Results Oriented Monitoring (ROM) system has been used to assess the performance of projects funded by the EU. As such it forms a part of the overall quality assurance cycle, which starts during the design of projects and ends after their implementation.

The ROM system is based on onsite visits, with external experts interviewing project staff, reviewing key project documents and, most importantly, interviewing relevant stakeholders including the beneficiaries. The methodology is based on internationally Organisation for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) agreed criteria, namely: relevance, efficiency, effectiveness, impact and sustainability. ROM reports are disseminated by the EU to project managers, partner governments and other stakeholders.

#### ROM provides benefits:

- at the level of a project or programme by giving feedback to project managers on the performance of the operations under their responsibility and giving recommendations on how to improve them, if necessary.
- by providing a statistical overview of the performance of the EU development aid portfolio with data, allowing comparison over time, across regions and between sectors etc.
- at the level of programming and learning: quantitative and qualitative studies based on ROM data can contribute lessons learned and best practices to the programming and planning of new projects.

#### ROM performance in 2012

1 047 ongoing projects and 307 regional programmes (linked to 244 national components) and 17 Sector Policy Support Programmes (SPSPs) were assessed in 2012. In addition, 192 projects and 12 Regional Programmes have been assessed *ex-post*, i.e. after their closure to focus specifically on impact and sustainability.

In 2012, the ROM system covered roughly one third of the development cooperation interventions, representing in financial terms one quarter of total portfolio.

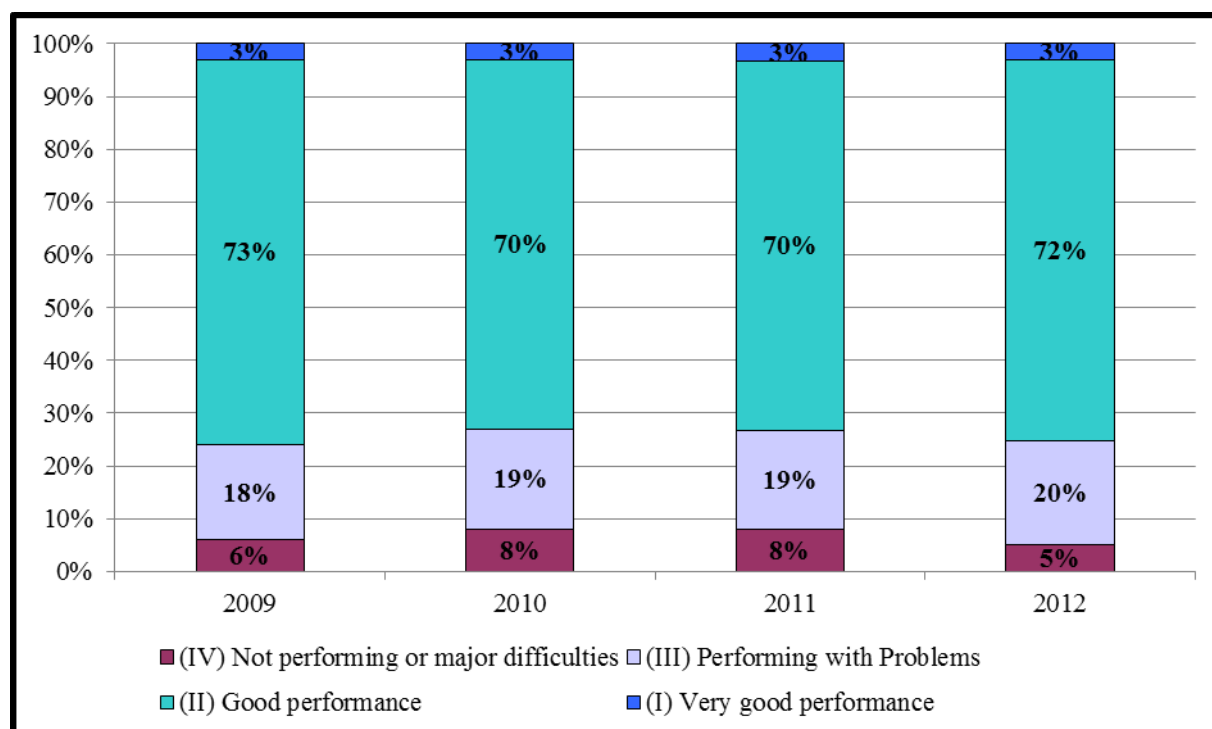
**Table 40: overview of ROM activities**

	Nb of Projects & Programmes monitored	ENPI	Africa	Caribbean	Pacific	Asia & Central Asia	Latin America	CMTP	Total 2012
Ongoing	National projects	281	362	53	52	179	115	5	1047
	Regional programmes (as a whole)	136	46	10	14	23	36	42	307



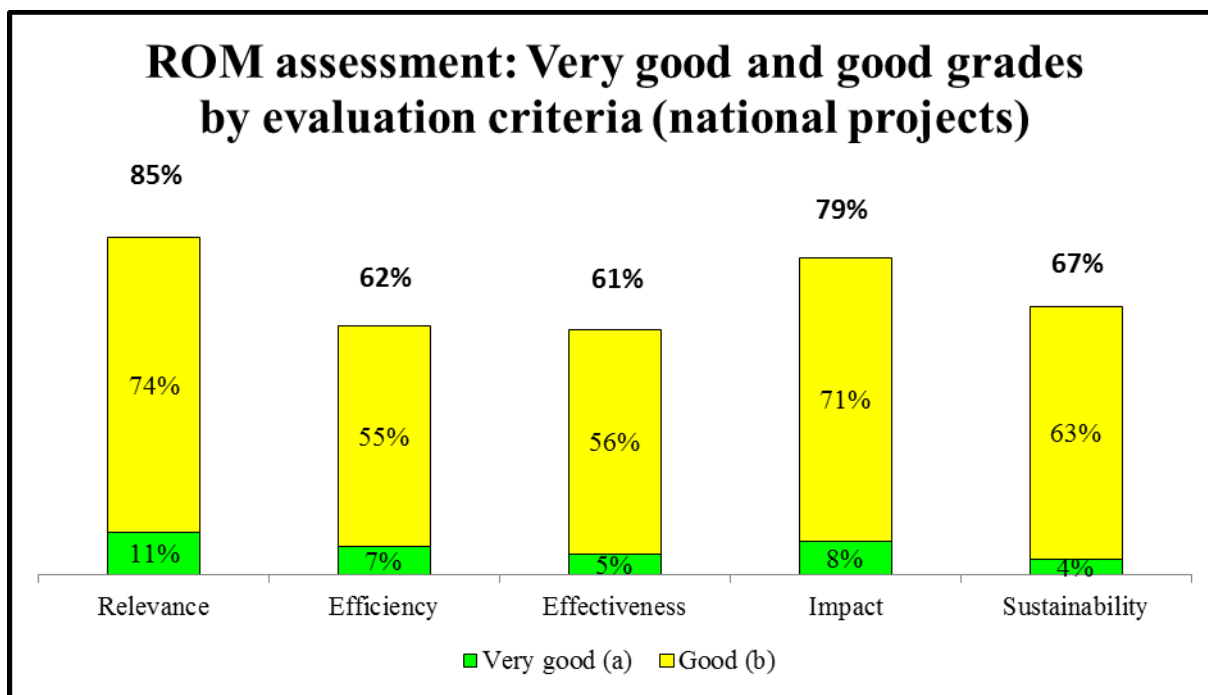
	Regional programme components	60	57	11	18	27	3	68	244
	SPSP	-	7	5	1	-	4		17
	Million EUR covered Ongoing	1.328,24	2.325,27	465,49	234,35	688,42	814,54	477,18	6.333,49
Ex-Post	National projects	42	67	9	4	32	38	-	192
	Regional programmes (as a whole)	3	-	-	-	2	6	1	12
	Regional programme components	3	-	-	-	6	-	3	12
	Million EUR covered Ex-Post	160,22	268,45	149,11	54,41	205,42	134,35	1,20	973,16

**Table 41: overall performance of ongoing national projects by category**



Of the projects subject to a ROM assessment, a large majority was considered "very good" or "good". Over the last three years the percentage of such projects has remained constant - that is to say between 73% and 75% - while projects facing major difficulties count for only 5% to 8%. The figures for 2012 show a decrease in projects falling under category IV from 8% to 5%.

**Table 42: Performance by evaluation criteria: "very good" and "good" ratings for ongoing national projects**



The performance of projects assessed by ROM in 2012 shows best results for the relevance and potential impact criteria. However, it should be stressed that under the relevance criterion, ROM takes into consideration two specific dimensions: relevance and quality of design. If relevance scores very highly (96% of "good" and "very good"), design scores lower (72.5% of "good" and "very good"). This confirms the continued importance of the Commission's *ex-ante* quality assessment, the Office Quality Support Groups (oQSG) system.

**Table 43: project performance by for selected ODA (sub-) sectors**

	Performance category of ongoing (national) projects by sector	Very good performance	Good performance	Performing with problems	Not performing or major difficulties	N° reports produced	Million EUR covered
		I	II	III	IV		
Social infrastructure and services	110 - Education	3,0%	74,2%	16,7%	6,0%	66	225,99
	120 - Health	1,6%	84,4%	12,5%	1,6%	64	165,24
	130 - Population policies/programmes and reproductive health	0,0%	92,3%	7,7%	0,0%	26	41,35
	140 - Water and sanitation	4,2%	68,1%	25,0%	2,8%	72	221,94
	150 - Government and civil society	3,4%	70,1%	20,9%	5,6%	355	824,02
	160 - Other social infrastructure and services	2,0%	83,7%	12,2%	2,0%	49	126,71
	Economic infrastructure and services	1,8%	72,3%	14,3%	11,6%	112	1.348,70
	Production sectors	4,8%	67,8%	23,3%	4,1%	146	461,50
	Multisector - Cross-cutting	1,2%	69,4%	23,5%	5,9%	85	609,05
	Commodity aid and general programme assistance	0,0%	67,4%	28,3%	4,3%	46	130,01

## New developments in 2012

### Internal monitoring

In 2012, the Commission worked on improving tools and instructions for operational monitoring by its staff in Delegations and headquarters. The objective is to harmonise the different local solutions used to date, strengthen the operational manager's role as informed interlocutor of implementing partners and partner government officials, as well as improving progress and performance reporting. A toolkit has been developed which will be tested in 2013. It will be a first step towards the development of an online IT tool for operational management during project and programme implementation.

Twice a year, part of the External Assistance Monitoring Report (EAMR) reporting system requires operational managers to assess the performance of the projects/programmes they are responsible for by means of a "traffic light" system. This serves as an early warning system with which to identify projects with problems and to apply corrective measures.

### **Improving ROM and project evaluations**

During project/programme implementation, the Commission uses two different tools to assess performance and identify potential for improvement: the ROM system with its brief, highly structured format managed centrally by headquarters and more in-depth evaluations managed mostly by the Delegations. Building on the strengthened monitoring system of operational staff, the Commission is currently reviewing options to improve coordination between the two external performance assessment tools. ROM reviews are to be applied in such a way as to allow for the aggregation of performance data for accountability and learning purposes, and to feed into a new result reporting framework (see below).

### **A new IT tool to manage, store and analyse ROM and project evaluations**

The Commission has developed an IT application for both project/programme evaluations and ROM to: facilitate planning and coordination; support the management of evaluations; serve as a central storage point for all reports and to enable advanced search and analysis functionalities. This application will be part of a wider new information management system (PCM platform), which will serve as the central tool for operational management of Commission interventions throughout their lifecycle. The IT development is ongoing, with a pilot testing expected in 2013.

### **Towards a results measurement framework**

In the "Agenda for Change" communication, the Commission stated its commitment to developing a common EU framework for measuring and communicating results. As a consequence, it set up an EU-wide Expert Group on Results to share experiences and reflect on common approaches in the measuring and reporting of results. The group has now met three times and it is obvious that there is increasing interest from several Member States. In order to support this process, the Commission launched a study drawing together lessons from other development actors (e.g. development banks and bi-lateral donors) already in the process of implementing results frameworks. Findings from the study will be shared with the Member States to promote a common approach and feed into the proposal for building an EU results framework in 2013.

## 4.1.2. Evaluation: review of the 2012 work programme

### Overview

In this area of work, the Commission (specifically the EuropeAid evaluation unit) manages three main types of strategic evaluation: geographic (at country and regional level), thematic and sector programmes, as well as aid delivery mechanisms (issues on project-level evaluations are dealt with in the section on project results). Evaluations are carried out by independent external consultants following a standardised methodology in a transparent manner. All evaluation reports and the responses to their recommendations are made public<sup>75</sup>.

### The 2012 work programme

In 2012, ten **geographic evaluations** were completed: Colombia, Djibouti, Ecuador, Ethiopia, Honduras, Jamaica, the Republic of Congo, the Caribbean Region, Nepal, and Zambia. Five were launched (Asia, Cameroon, Democratic Republic of Congo, Kenya, and Pacific) and two were ongoing: Burundi (joint evaluation), and European Neighbourhood Regions (East and South). Evaluations on budget support were launched in Morocco, South Africa and Tanzania.

In addition, four **thematic evaluations** were completed on health, decentralisation, agricultural commodities and human rights. At the end of 2012, three were ongoing, namely: integrated border management, private sector development, and trade-related assistance.

Evaluations were completed on visibility and cooperation with the Council of Europe (CoE) and four in-country seminars were organised to discuss the results in Nepal, the Republic of Congo, Ecuador and Jamaica. A seminar on cooperation with the CoE took place in Strasbourg, while six were held in Brussels on the themes of justice and security sector reform, human rights, decentralisation, agricultural commodities, health, and the Caribbean region

### Methodology development

#### Capacity development

The evaluation unit completed a results-oriented methodology to evaluate capacity development support. It will considerably strengthen the evidence base on the results of capacity development interventions, and enable project managers to better focus and adapt EU support to capacity development in partner countries.

#### Budget support

The OECD/DAC working group, led by the Commission, finalised the guidelines on the methodological approach of budget support evaluations, which are now published on the OECD/DAC website<sup>76</sup>. All evaluations of BS should now follow the agreed methodological approach.

---

<sup>75</sup> [http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/index\\_en.htm](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm)

<sup>76</sup> <http://www.oecd.org/dac/evaluation/dcdndep/Methodological%20approach%20BS%20evaluations%20Sept%202012%20with%20cover%20Thi.pdf>

## Summary of evaluations

### Geographical evaluations

**Caribbean region (2003-10):** The EU strategy was relevant and made good use of the increased resources channelled to the region - critical for the EPA negotiations and a model for donor coordination. However, results in other sectors could be improved with more suitable aid modalities, a better selection of implementing partners, more effective complementarity between regional and national programmes and by strengthening the Delegation in charge of the regional programme.

**Colombia (2002-2011):** The EU cooperation strategy focused on peace building and was coherent with the Colombian policies by contributing to address the root causes for conflict. Sustainability remains an issue to be tackled in the future; EU support to transition from relief to rehabilitation did not sufficiently succeed to link the long term objective of development to these medium term objectives. The EU succeeded in setting up a good basis on trade and competitiveness and environmental sustainability.

**Djibouti (1996-2012):** A sectoral approach to national/regional development was impossible due to a lack of prioritisation in the government's policies. Cooperation was limited to a series of interventions not part of a strategic vision. The Commission did not address governance or the strengthening of civil society, nor did it establish itself as a strategic partner to government or civil society. However, the recent establishment of an EU Delegation in Djibouti may improve cooperation.

**Ecuador (2003-10):** EU cooperation was well aligned to the government's priorities and the population's needs. This was particularly the case in the health and education sectors which led to positive results and ensured sustainability. The non-financial input in the context of budget support improved alignment to national policies and established dialogue with the government. It also led to the adoption of national systems for the design, managing, monitoring and reporting of programmes. Coherence was good at the strategic level, but limited in implementation.

**Ethiopia (2002-09):** EU support was relevant to the country's needs. The alignment with the government's policies and programmes through budget support was particularly effective in fighting poverty, strengthening ownership and ensuring sustainability. However, cooperation had less impact on democratic governance and related capacity building. Compared to agricultural development, support for food security was too dominant. Programmes were too ambitious and ignored the limitations of specific instruments and, in particular, the Delegation's staff capacity.

**Honduras (2002-09):** The EU strategy had positive results, though implementation was difficult. The programme was initially aligned to the government's policies. However, these changed over time which undermined implementation and the sustainability of some actions. Cooperation was suspended following the political crisis of 2009. In order to ensure results and to offset weaknesses in capacity, continued support through technical assistance and increasing the involvement of civil society is necessary.

**Jamaica (2002-09):** The EU strategy in Jamaica was positive, particularly with the most recent interventions. EU support has proved to be more effective when focussed on high priority needs and using budget support. Support for the security and justice sector was appropriate and the evaluation recommends drawing on additional sources of expertise and instruments, such as those used in EU Neighbourhood countries. The use of process indicators for budget support worked well and helped to catalyse actions by government stakeholders. The Delegation used technical assistance to effectively support budget support operations.

**Nepal (2002-10):** The Commission helped to keep the poverty reduction strategy on track, but the direct contribution to increasing production, employment and income remained limited. The mix of instruments and aid modalities was good. Synergies with other development partners and donor coordination were rather good in some areas, such as budget support in education but limited in others (for example social inclusion, democracy and the rule of law). The role of the Commission in sector policy dialogue, particularly in the areas of trade, the rule of law and democracy was modest, reflecting the size of its support.

**Republic of Congo (2000-09):** The EU has succeeded in adapting its cooperation strategy to a changing context. It has made a significant contribution to restoring peace and preventing the outbreak of new conflicts. However, even though aid priorities were relevant and support led to important reforms, impact was low because these reforms were not effectively implemented. The structural weaknesses in the Republic of Congo's aid management also significantly reduced impact. While the participation of non-state actors in public policies increased, the Commission's interventions fell far short of the desired results.

**Zambia (2001-10):** EU support to Zambia was well-focused on the needs of the population, especially in the initial part of the evaluation period. The EDF10 response strategy underestimated the speed at which the macro-economic situation would evolve in Zambia. EU contribution to dialogue on PFM issues was a driver of reforms in this area. However, the administrative arrangements for PFM provided only limited regulatory autonomy. The EU should adjust its strategy in response to the decrease in the leverage of its financial inputs and focus a “Good Governance and Development Contract” on accountability, democratic and economic governance, and performance monitoring.

### **Thematic and sector evaluations**

**EU support to decentralisation processes (2000-09):** The EU has responded to demand from partner countries and local authorities by increasing direct support to decentralisation from less than EUR 20 million to more than EUR 120 million over the period 2000-09. EU support was most effective in the early stages of reform and less so in more mature, decentralised contexts. It helped to significantly strengthen local governments' management and administrative capacities, to promote greater transparency in funding allocations from central to local level and to improve access to service delivery. However, substantial challenges remain such as addressing central government through effective policy dialogue, raising the participation of civil society and improving the quality of service delivery. Continued support is important in poor and fragile contexts.

**EU support to agricultural commodities in ACP countries (2000-09):** The Commission strategy was implemented at international level but did not affect local and bilateral operations. The establishment of a functional EU/Africa Partnership on cotton has been a success. On the ground, coordination remained a challenge and restricted the learning process.

Availability of information and lesson learning has been relatively poor. Procedural rigidity was made up for by the flexibility of the Stabex instrument (Stabilisation of Export Earnings). The impact on competitiveness was most significant when support was substantial; isolated interventions brought only temporary benefits. Exit strategies were rarely considered which hampered long-term effectiveness.

**EU support to the health sector (2001-10):** EU support was coherent with development policy and well-focused on poverty reduction. However, the Commission should define a global strategy for health cooperation that can be operationalised at the field level in conformity with national sector development plans. Health strategies have tended to focus on the present, not on the longer term. While interventions have been generally effective, in several areas, such as health finance reform and human resources, results were modest compared to the scope of the challenges.

**EU support for the respect of human rights and fundamental freedoms (2000-10):** In many countries, the Commission has made valuable contributions to the promotion of the human rights agenda at various levels through the use of funding and non-funding instruments. However, insufficient political commitment to an effective and coherent human rights policy was noted, as well as a lack of related knowledge, capacities and incentives. As a consequence, the political status of human rights in EU external action should be upgraded so as to ensure coherent action and increase impact.

### **Aid modalities evaluations**

**Visibility of the European Commission's external action (2005-10):** The perception of the EU's external action has generally been in line with pre-Lisbon official priorities. Actual communication activities based on clear political strategies are reasonably good, though lacking in clear leadership and coordination. While working in partnership with others is essential, this involves a trade-off in terms of EU visibility and coordination between partners. The resources for promoting EU external action visibility have been adequate. The current image of the EU external action should be strengthened by delivering clear messages, communicating on results and avoiding raising unrealistic expectations.

**Cooperation with the Council of Europe (CoE) 2000-10:** Political and strategic relations between the EU and CoE improved over time. The CoE's comparative advantage is its expertise in the sectors of the rule of law, human rights and democracy, its legal and moral authority and its unique combination of roles. Regarding the rule of law, specific and targeted support has enabled the transposition of conventions into national legislation and facilitated the building of the capacity to implement requirements. The CoE shows weaknesses as an implementing agency, but its recent large-scale institutional reform addresses many of them. The CoE should be encouraged to align assistance with international best practice and to strengthen strategic joint priority setting at country level.

### **Outlook for 2013**

The rolling evaluation work programme 2012-14 was approved by the Commissioner in charge in November 2012. The following evaluations are scheduled to be launched before the end of 2013:

- Geographic evaluations in Haiti, Jordan, Madagascar, Palestine, Timor-Leste, Togo, Yemen and Central America.
- Budget support evaluations in Lao PDR and Mozambique.
- Thematic evaluations on the environment and climate change, research and development, water and sanitation, food security and gender.

#### 4.1.3. Lessons learned

*The "fiches contradictoires": a key tool to ensure the follow-up of evaluation recommendations.*

The "fiche contradictoire" is a document which follows up on evaluation recommendations and is prepared by the services in charge of implementing them. It sets out, in tabular form, the main recommendations of an evaluation, the response of the services and actions to be taken the follow-up of these actions one year later. Every "fiche contradictoire" is available<sup>77</sup>.

#### **Synthesis of main lessons learned in 2012**

- In terms of relevance at the strategic level, EU interventions address the needs of partner countries and population. However, they should stay flexible enough to be able to anticipate changing contexts and adjust to them. In fragile states, the EU should focus more on development and good governance.
- An appropriate mix of aid modalities enhances efficiency at the strategic level. This is more important in fragile contexts where aid instruments need to be particularly flexible.
- Budget support has proven to be an effective tool to help improve public financial management and other reforms, but it cannot "buy" reforms. It can enhance alignment and support to institutions with the help of non-financial inputs such as policy dialogue.
- The generally positive impact on poverty reduction can be further enhanced through better coordination with donors, improved links between regional and national programming and further synergies between different sectors.
- EU projects and programmes would benefit from an improved and more structured monitoring system. The EU should also encourage other donor partners to improve their own monitoring systems.
- Non-financial inputs are key factors of success, notably concerning budget support. A more inclusive and effective policy dialogue should be developed. Civil society organisations can act as a catalyst to improve the relevance of EU strategies and in holding governments accountable.
- In order to improve coordination and the management of programmes and to better anticipate long term trends, EU Delegations need to further develop their own technical and sectoral capacity and expertise.

---

<sup>77</sup> [http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/index\\_en.htm](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm)



## **4.2. Aid delivery modalities**

### **4.2.1. Developments in aid delivery modalities and channels**

#### **Programme and project cycle management**

The design and implementation of cooperation programmes follows a well-established cycle. As a consequence of the Agenda for Change's calls for increased concentration on a limited number of focal sectors, the "project management" methodologies are now being improved (for example, by strengthening the analysis of country and sector context).

Development of new elements of the methodology takes place through research and testing involving EU Delegations and, in some cases, EU Member States. In 2012, such a participatory process was organised with EU Delegations on the revised programme and project cycle management guidance. Case studies on political economy analysis were also implemented in 2012 in partner countries such as Cameroon, Lao PDR, Mozambique, Senegal and the Republic of Guinea.

#### **Capacity development as a key objective across aid modalities**

Delivering sustainable results and increasing the impact of EU development policy is only possible if there is effective capacity in partner countries.

In 2011, at the High Level Meeting on Aid Effectiveness in Busan<sup>78</sup>, partner countries promoted a more open approach to capacity development stating that there should be a wider process of supporting partner institutions to achieve change and reform.

Similarly, the Agenda for Change states that one of its priorities is to increase the impact of EU policy. This will only be possible if there is capacity in the partner countries.

In 2012, two main areas of work were consolidated:

#### **Implementation of technical cooperation reform for capacity development:**

The Backbone Strategy on the Technical Cooperation Reform translated the aid effectiveness agenda into operational principles. The year 2012 saw the consolidation and promotion of capacity development principles in all aid modalities, not only in technical assistance and training activities.

Different quality assessment tools were consolidated throughout 2012 in order to internally assess and monitor capacity development at different stages of the project cycle. The 2012 analysis shows that diverse aid modalities, such as working through local NGOs, can result in good results in terms of quality.

#### **Knowledge sharing for Capacity Development:**

The knowledge sharing platform [capacity4dev.eu](http://www.capacity4dev.eu) began in 2009 as a direct result of the Backbone Strategy on the Technical Cooperation Reform. Since then, it has continuously evolved to become the Commission's knowledge sharing platform in this specific area, covering all development topics and facilitating knowledge sharing between the Commission (in this case, specifically EuropeAid) and EU Delegations, as well as with other related actors.

---

<sup>78</sup> <http://www.effectivecooperation.org/>

In 2012 the platform saw a 40 % growth, with approximately 2 500 new members joining the community.

Through this tool the EU is consolidating and capitalising on the knowledge generated within its network in order to enhance the quality and impact of its development cooperation.

#### **4.2.2. Budget support**

The 2011 communication "The Future Approach to EU Budget Support to Third Countries"<sup>79</sup>, was endorsed by the Foreign Affairs Council on 14 May 2012 and has since been translated into practice. Revised guidelines on budget support were approved and, after being gradually phased-in, will be fully implemented from 1 January 2013. The new policy provides a stronger link with the fundamental values of human rights, democracy and the rule of law, a stronger focus on accountability and transparency and a greater emphasis on results, performance and ownership.

A risk-management framework has been set up and will be applied to all new budget support contracts and disbursements. Among other things, it aims at:

- identifying the specific risks linked to the provision of budget support.
- identifying mitigating measures.
- identifying frameworks with which to react to a sudden deterioration in a partner country.

The governance of budget support has been improved through the creation of the Budget Support Steering Committee (BSSC) made up of senior management from responsible Commission services and the EEAS. The objectives of the BSSC are to:

- strengthen continuous political/policy steering at senior management and Commissioner level,
- ensure policy coherence across countries and regions,
- reinforce risk management and mitigation mechanisms.

The BSSC met 12 times in 2012 and examined 40 cases for decision and 40 cases for information.

During the transition period, the first State Building Contracts (Sierra Leone, Burundi, Tunisia and Ivory Coast) as well as Good Governance and Development Contracts (Malawi, Cape Verde, Lesotho etc.) were approved.

#### **Good Governance and Development Contract (GGDC) for Malawi**

In November 2012, the EU approved a EUR 98 million Good Governance and Development Contract (GGDC) for Malawi. It is one of the key instruments of the EU's new budget support policy. It will support the Malawian government's macroeconomic reform programme whilst providing a platform for dialogue on key development priorities, reform of Public Financial Management (PFM) and wider political developments.

---

<sup>79</sup> COM(2011) 638

The GGDC was drawn up in the wake of the country's political transition which saw the inauguration of President Joyce Banda in April 2012. The new administration swiftly moved to restore macro-economic stability and began to unwind the restrictive governance measures of recent years. It also took decisive steps to re-establish political freedoms and enhance the poverty focus of the budget. The IMF quickly responded with the approval of a new support programme in July 2012.

### **State Building Contract signed with Sierra Leone**

The EU prepared, for signature in January 2013, a State Building Contract with Sierra Leone under which the government gives commitments to improve the delivery of basic services and reforms in Public Financial Management (PFM).

The programme was drawn up in collaboration with two other donors, the United Kingdom and the World Bank.

Sierra Leone is one of the pilot countries for the international community's "New Deal for Engagement in Fragile States". The country is in a fragile situation; with acute weaknesses particularly with regard to the delivery of basic services and the raising of revenue to ensure macroeconomic stability.

### **A State Building Contract for Burundi**

The EU signed a State Building Contract with Burundi in December. The country is exiting a protracted period of civil war and crises. It is presently in a relatively long period of stability, but remains fragile. Vulnerable to internal shocks, an increase in fuel and food prices in 2012 pushed inflation up to 18.4%, compared to a rate of 9.7% in 2011.

Budget support is a crucial element for macro-economic stabilisation and the maintenance of social services. Burundi is an aid orphan, receiving budget support from only the WB, ADB, the EU and the IMF. The EU budget support programme was drawn up in coordination with the WB and ADB.

### **Budget support commitments**

The year 2012 witnessed a clear increase in commitments, with a total of nearly EUR 2.4 billion, representing an increase of 90 % compared to 2011 (EUR 1.25 billion).

General Budget Support (GBS), Good Governance and Development contracts (GGDCs) and State Building Contracts (SBCs) were nearly four times (EUR 815 million) that of the exceptionally low level of 2011 (EUR 205 million).

Sector Budget Support (SBS) and Sector Reform Contracts (SRC) increased by 50 % to EUR 1.56 billion in 2012, compared to EUR 1 billion in 2011.

There is a strong concentration of GBS in Sub-Saharan Africa which covers 80 % of the commitments. SBS commitments are more evenly spread in Neighbourhood countries (42 %), Sub-Saharan Africa (24 %) and Asian countries (14 %). The remaining regions share the remaining 20 %.

Payments were kept at nearly the same level as in 2011. In total EUR 783 million for GBS and EUR 919 million for SBS respectively.

## **Results**

Short and medium-term results, in the form of outputs, outcomes and process indicators, were systematically analysed in each of the 141 disbursement files positively assessed in 2012. The country evaluations (for further information see chapter 4 part 1.2) for the same year also show positive results. In Ecuador, for example, the non-financial input (policy dialogue, the participation of the civil society and technical assistance) improved alignment to national policies and established dialogue with the government. In Jamaica, the evaluation has confirmed that the use of budget support process indicators helped to catalyse government stakeholder action, while in Zambia the EU's contribution to dialogue on public financial management issues is held to have been a driver of reforms.

### **Public finance and public finance management (PFM)**

Strengthening public finance management (PFM) systems and capacities remains a key area of cooperation. In 2012, over 80 capacity building projects were in progress in close cooperation with key partners such as the International Monetary Fund (IMF). In addition, 22 assessments of the performance of PFM systems using the Public Expenditure and Financial Accountability (PEFA) methodology took place under the Commission's lead. The Commission also supported the development of specific tools to assess tax administrations and, through the International Organisation of Supreme Audit Institutions (INTOSAI), measure the capacities of State Audit Institutions.

Concerning domestic revenue mobilisation, capacity building on transfer pricing matters was further strengthened through a tripartite initiative with the World Bank and the OECD, notably in Ghana, Vietnam, Kenya, Honduras and Colombia.

Seminars on transfer pricing, as well as on exchange of information and indirect taxation were organised with the African Tax Administration Forum (ATAF), while assessments of tax burden and electronic invoicing were promoted, among others, through the Inter American Centre of Tax Administrations (CIAT).

The Commission also cooperated with the UN in the preparation of a Practical Manual on Transfer Pricing. In addition, the Commission continues to support the Extractive Industries Transparency Initiative (EITI), both financially and politically, in order to strengthen transparency in the extractive sector (see chapter 4 part 4.2).

#### **4.2.3. Blending of grants and loans/innovative financing**

##### **Using EU grants strategically via blending**

The Commission is increasingly using blending as an instrument with which to deliver development aid to partner countries. The blending mechanisms combine EU grants with additional non-grant resources for important investments in EU partner countries. By using grants strategically, via blending, substantial additional public and private financing can be unlocked which can be used to support EU development policy objectives.

Since 2007, the Commission, together with the Member States, has set up seven EU regional blending facilities:

- the EU-Africa Infrastructure Trust Fund (ITF)
- the Neighbourhood Investment Facility (NIF)
- the Latin America Investment Facility (LAIF)
- the Investment Facility for Central Asia (IFCA)
- the Asian Investment Facility (AIF)
- the Caribbean Investment Facility (CIF)
- the Investment Facility for the Pacific (IFP).

With the establishment of the facilities for Asia, the Caribbean and the Pacific in 2012, the EU is now equipped to make use of blending in all regions of its external cooperation.

In the last six years, 150 blended projects have been financed from EUR 1.2 billion in grants from the EU budget, the EDF and Member States. The EU grant contributions to individual projects have leveraged approximately EUR 14 billion of loans from eligible finance institutions, unlocking project financing of at least EUR 32 billion, in line with EU policy objectives. The volume of blending has greatly increased in recent years. In 2012 alone, EU grant contributions of more than EUR 400 million facilitated investment projects in beneficiary countries with a total project volume of approximately EUR 10 billion.

The basic idea behind blending is to make strategic use of grants in order to make investments with a high economic and social return financially viable. At the project level, grant and non-grant resources such as loans and equity are "blended" to create the right financing-mix for the specific project. The grant element can bridge financing gaps in investment projects or make them more effective and sustainable.

The composition of projects supported through the EU regional blending facilities differs from project to project, but always contains EU grant contributions and loans from European Public Finance Institutions. In addition, grants from other donors, loans from regional development banks, the beneficiary's own resources as well as private financing can be included in the financing mix. In the same way, the grant to non-grant ratio – the "leverage" – varies: For example, in large renewable energy projects involving many actors the ratio may be above 10:1, whereas in social sector projects it may be only 3:1.

The EU regional blending facilities support a wide range of sectors such as transport, energy, water, support to SMEs, ICT and the social sector. The facilities also have several different financial tools available through which the grant element can be delivered: direct investment grants and interest rate subsidies, which decrease the investment cost for the beneficiary; technical assistance can accelerate projects and improve quality, efficiency and sustainability; risk capital aims to "crowd in" additional private and public financing for development, and

guarantee mechanisms and insurance premiums financing aim to unlock market financing for development that is held back by the perception of high risk.

A further added value of the EU regional blending facilities is the increase in cooperation and coordination among donors and public finance institutions which are encouraged to work together to identify, prepare and finance projects. Lead financiers are usually assigned to present the projects and to coordinate work with the other finance institutions and the partner countries. This practice has led to lower transaction costs, increased harmonisation and greater efficiency.

In December 2012, a new EU Platform for Blending in External Cooperation was launched to further increase the effectiveness of aid delivered by the European Union through blending by providing recommendations and guidance. Led by the Commission, the platform includes representatives from Member States, the European Parliament, the EEASs and finance institutions. Standardising approaches and scaling up activities with partners provides the potential to reduce transaction costs and further improve the positive impacts. The platform will act as a major forum on which to build on the successes to date.

### **4.3. Progress in aid management**

#### **4.3.1. Progress on qualitative issues in aid management**

##### **Staff development: training and knowledge sharing**

Continuous development and updating of knowledge and expertise of its staff is a high priority for the Commission. It provides a wide-ranging learning programme on its core business and new approaches in development cooperation policies, with 615 training courses organised by EuropeAid in 2012, corresponding to 15545 training days. It also organises workshops to discuss lessons learned and other knowledge sharing activities including discussion forums and communities of practice.

The Commission also offers a wide range of online courses that gives its staff in Delegations the same access to relevant training.

The Commission seeks synergy effects and enhanced quality in learning through its cooperation with other donors in the "learn4dev" donor competence development network acting as part of the network's steering committee. Major bilateral and multilateral donors work together, harmonising learning approaches with the final aim of speaking with one voice and thus enhancing efficiency of development cooperation. The network also serves as a knowledge sharing platform, providing mutually access to learning possibilities, avoiding duplicating of existing offers and thus ensuring efficiency gains.

##### **Methodological work and training**

Developing the skills and capacities of key actors involved in the design and implementation of EU-funded programmes is essential to improve quality, impact and sustainability. The Commission is investing in capacity building for its staff and other stakeholders through methodological work and training.

In 2012, particular attention was paid to updating project and programme cycle management (PPCM) guidance. Other areas were also targeted such as civil society, the environment and climate change, fragility and blending.

Training events on the design and implementation of EU assistance were also held with a view to improving context analysis, dialogue with partners and to guide the choice of the appropriate aid modalities so as to better achieve results and capacity development. In 2012, 75 methodological courses were held benefiting over 1 300 participants.

### **Quality of design**

The quality of design of aid intervention is also assured by an internal peer review mechanism – the "quality support groups" (QSG). Each new action is scrutinised by a QSG in the initial phase of identification to ensure that the problem to be addressed is correctly identified and that the approach and aid modality proposed are the most appropriate for it. Similarly, at the end of the design phase, another peer review assesses the quality of the proposed intervention.

The Commission continued work on a new IT architecture called the project cycle management platform (PCM Platform) that should facilitate accessibility to project data and workflows, as well as lead to better use of human resources working on development and cooperation.

### **4.3.2. Simplification of procedures**

A revision of the Practical Guide to contractual procedures for external actions (PRAG) entered into force on 20 January. The changes related mostly to re-designing the procedure for selecting experts under service contracts and also include a wider use of global-price contracts. Another major revision was undertaken throughout the year to simplify contractual procedures in line with the revision of the Financial Regulation and the outcome of a wide-scale consultation of relevant stakeholders.

This major revision will take effect at the start of 2013 and includes among other simplifications raising the thresholds for procurement procedures and pre-financing guarantees, harmonising all general conditions of contracts, introducing the possibility for tenderers to propose variants and allowing them more freedom to define their methodology.

As regards grants, the main features are introducing lump sums, relaxing the rules on sub-contracting and sub-granting, allowing beneficiaries to use interests produced by pre-financing and to reshuffle the budget more freely, all of which is contributing to simplified financial management and a better focus on results.

Looking forward, one major element of simplification reflected in the proposals for external financial instruments under the 2014-20 Multiannual Financial Framework (MFF) is that national development strategies will replace those drafted by the EU institutions, provided they comply with certain requirements. Programming will start in all countries by assessing whether the national strategy can be the basis for aid programming. Through this approach, synchronisation with the partner country's budgetary cycle will become easier. The introduction of unallocated funds is intended to bring more flexibility to programming by providing the financial resources to adopt amendments if needed. The Commission has also proposed simplified rules for the adoption of programming documents, notably concerning non-substantial amendments and the adoption/amendment of programming documents in

justified cases of urgency. The negotiation of the future Common Implementing Regulation progressed steadily, with the Commission's proposals on untying of aid and eligibility of taxes meeting wide support.

A major novelty in the revision of the Financial Regulation is the introduction of EU Trust Funds, which will allow the Commission to create and manage trust funds, either thematic or in response to crises, to which other donors can contribute. These will allow providing a truly European response to major world challenges, using procedures specifically designed for fast and effective action.

#### **4.4. Communication & transparency**

##### **4.4.1. Communication and visibility**

###### **Communication**

EU development and external assistance policies produce great achievements in partner countries, helping people out of poverty and creating lasting change for the better. As an investment in the future it also benefits Europeans by creating trade and growth or improving global security. Communicating and illustrating this effectively to a global audience is key if the EU wants to maintain support for policies and funding. A survey carried out in June 2012 showed that even in times of economic crisis, a large majority of EU citizens believe that Europe should continue to assist developing countries<sup>80</sup>. This represents overwhelming support for cooperation which, however, cannot be taken for granted. The EU uses a wide range of communication tools to demonstrate to European citizens that its work adds value and improves the lives of people all over the world.

In 2012, a number of events on the future of development were held and included the 'EU Sustainable Energy for All' (SE4ALL) Summit in April<sup>81</sup> and the European Development Days in October. The debates at the SE4ALL Summit brought together high-level participants, including UN Secretary General Ban Ki-moon, and helped prepare the way for the EU's contribution to the UN SE4ALL initiative. The European Development Days<sup>82</sup> were held under the theme 'Sustainable and Inclusive Growth for Human Development' and attracted 5 700 participants.

Conferences, visits and debates at the External Cooperation Info Point of EuropeAid attracted more than 7 000 visitors. In 2012 the Kapuscinski Development Lectures<sup>83</sup> which are co-organised by the Commission and the UNDP covered new emerging donors, the MDGs, economic integration in Asia, and innovations in development. The lectures, given by top global development thinkers gave students a platform to discuss these topics.

In addition to press releases on major policy initiatives and responses to global events<sup>84</sup> published throughout the year, media work included tailored seminars and journalist briefings

---

<sup>80</sup> [http://ec.europa.eu/public\\_opinion/archives/eb\\_special\\_399\\_380\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb_special_399_380_en.htm)

<sup>81</sup> [http://ec.europa.eu/europeaid/what/energy/sustainable/SE4ALL\\_en.htm](http://ec.europa.eu/europeaid/what/energy/sustainable/SE4ALL_en.htm)

<sup>82</sup> <http://eudevdays.eu/>

<sup>83</sup> <http://kapuscinskilectures.eu/>

<sup>84</sup> <http://europa.eu/rapid/search-result.htm?query=46&locale=en>



in Brussels and partner countries such as Myanmar/Burma, Jordan, Kenya and Tunisia. Numerous articles as well as radio and TV broadcasts resulted from these briefings, including by leading media such as the BBC, Le Monde, The Guardian and Deutsche Welle, among many others. The Commission (EuropeAid) website is the key entry point for the general public and stakeholders alike who look for information in this area, with more than 100 000 people using it every month.

Case studies show the impact of projects and programmes on the ground. A more user-friendly version of the online case study library<sup>85</sup> will be made available in 2013 and better integrated into the website. A series of videos on aid effectiveness<sup>86</sup> was also produced, along with a short animated film on the Agenda for Change<sup>87</sup>. Complementing the present report, a number of other publications<sup>88</sup> reported on specific areas of development and external assistance policy.

The Commission's social media presence increased significantly during 2012, including with the implementation of a social media strategy. This included the setting up of a page on Facebook<sup>89</sup> and increased the use of Twitter<sup>90</sup>. It also continued publishing videos through the 'EU in the World' portal on YouTube<sup>91</sup> thus increasing the coverage of events organised by EU Delegations.

#### **4.4.2. Transparency**

The Busan Partnership for Effective Development Cooperation stressed once again the importance of the transparency of development results, with the EU and its Member States announcing the EU Transparency Guarantee. This commits EU donors to disclosing all information on aid programmes to ensure that it is more easily accessed, shared and published. Furthermore, implementing the common standard for publishing aid information is an important part of the Busan follow-up and will substantially contribute to reaching the aims of the Transparency Guarantee. It comprises the existing OECD aid reporting systems and the International Aid Transparency Initiative (IATI). The Commission completed the second phase of its IATI implementation in 2012 on schedule.

The Commission/EuropeAid was ranked as the fifth most transparent donor in the world in the 2012 Aid Transparency Index, showing that determination brings results. The Commission progressively implements the common standard, shares its experience and cooperates with the EU Member States to improve aid transparency across Europe.

In 2012, the Commission also issued a new version of the EU Donor Atlas, which provides a detailed mapping of aid by the EU and its Member States in a user-friendly format<sup>92</sup>.

---

<sup>85</sup> [http://ec.europa.eu/europeaid/multimedia/case-studies/index\\_en.htm](http://ec.europa.eu/europeaid/multimedia/case-studies/index_en.htm)

<sup>86</sup> [http://ec.europa.eu/europeaid/multimedia/videos/index\\_en.htm](http://ec.europa.eu/europeaid/multimedia/videos/index_en.htm)

<sup>87</sup> [http://ec.europa.eu/europeaid/what/development-policies/agenda-for-change/agenda\\_for\\_change\\_en.htm](http://ec.europa.eu/europeaid/what/development-policies/agenda-for-change/agenda_for_change_en.htm)

<sup>88</sup> [http://ec.europa.eu/europeaid/infopoint/publications/index\\_en.htm](http://ec.europa.eu/europeaid/infopoint/publications/index_en.htm)

<sup>89</sup> <https://www.facebook.com/europeaid>

<sup>90</sup> <https://twitter.com/europeaid>

<sup>91</sup> <http://www.youtube.com/user/EUintheWorld>

<sup>92</sup> <http://euatlas2012.bbj.it/>

## 5. CHAPTER 5 FINANCIAL ANNEX

### 5.1. Introduction to financial tables

This Annual Report provides an overview of policies, objectives and achievements in 2012. The tables and graphs which follow present the main data on EU development assistance in 2012 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 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.

Data for 2012 again show improved overall Official Development Assistance (ODA) levels. **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 9% of the total allocation in 2012 (general EU budget and EDF taken together).

A global overview of the share of resources 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 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, 94% of EU aid committed in 2012 is considered reportable as ODA, indicating an increased focus on development in external financial allocations.

**Figures 5.6** and **5.7** show the evolution from 2004 to 2012 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 disbursements evolution of the sector breakdown of ODA.

**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. Africa tops the list (37% of ODA) with, Sub-Saharan Africa receiving 31% of total ODA in 2012. 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).

Leaving aside regional programmes, the top ten ODA recipient countries in 2012 (disbursements) were Turkey, Palestine, Afghanistan, Ethiopia, Serbia, Democratic Republic of Congo, Niger, Kosovo<sup>93</sup>, Sudan and Pakistan.

**Figure 5.12** focuses on ODA recipients classified under the four UN/OECD categories based on GNI. The table monitors disbursements in 2012 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.

Finally, **Table 5.21** focuses on budget support commitments 2012 by EU instruments.

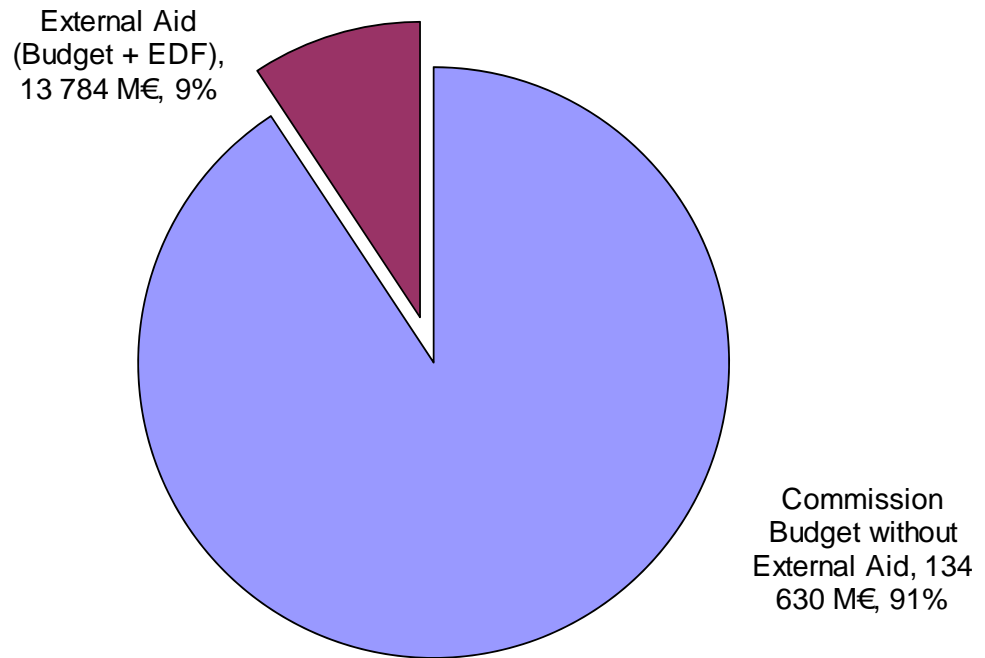
Please note that where references are made in the following tables to 'EU budget', this refers to the budget managed by the European Commission and does not cover EU Member States' national budgets for development assistance.

---

<sup>93</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

## 5.2. Financial tables

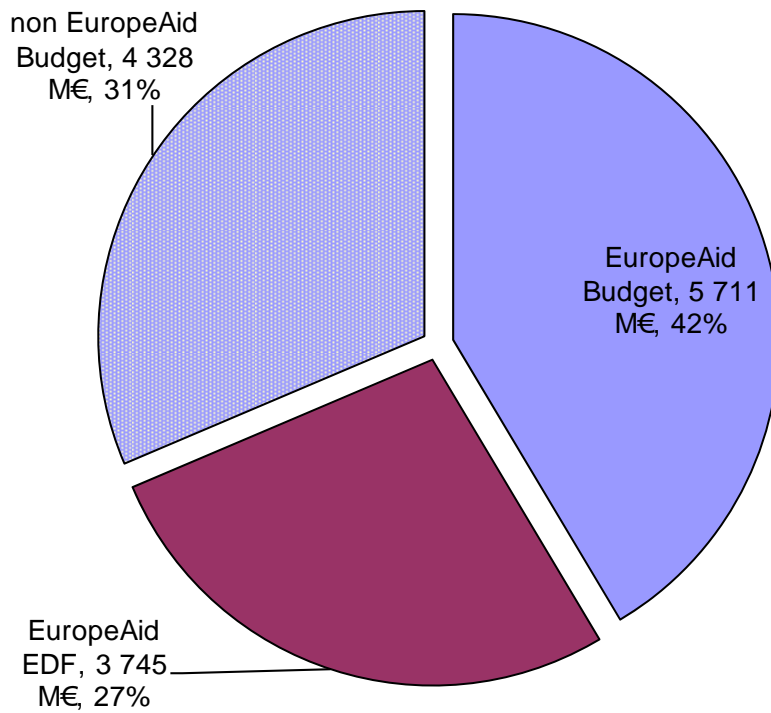
**Table 5.1 Percentage of EU budget committed on external assistance in 2012**



**Commitments in €million**

Commission budget without external aid	134 630 M€
External aid (Budget + EDF)	13 784 M€
<b>Commission budget + EDF</b>	<b>148 414 M€</b>

**Table 5.2 Sources of external assistance in 2012**



**Commitments ( €Million )**

EuropeAid Budget	5 711 M€
EuropeAid EDF	3 745 M€
non EuropeAid Budget	4 328 M€
<b>External Aid (Budget + EDF)</b>	<b>13 784 M€</b>

**Table 5.3 General EU budget for external assistance in 2012**

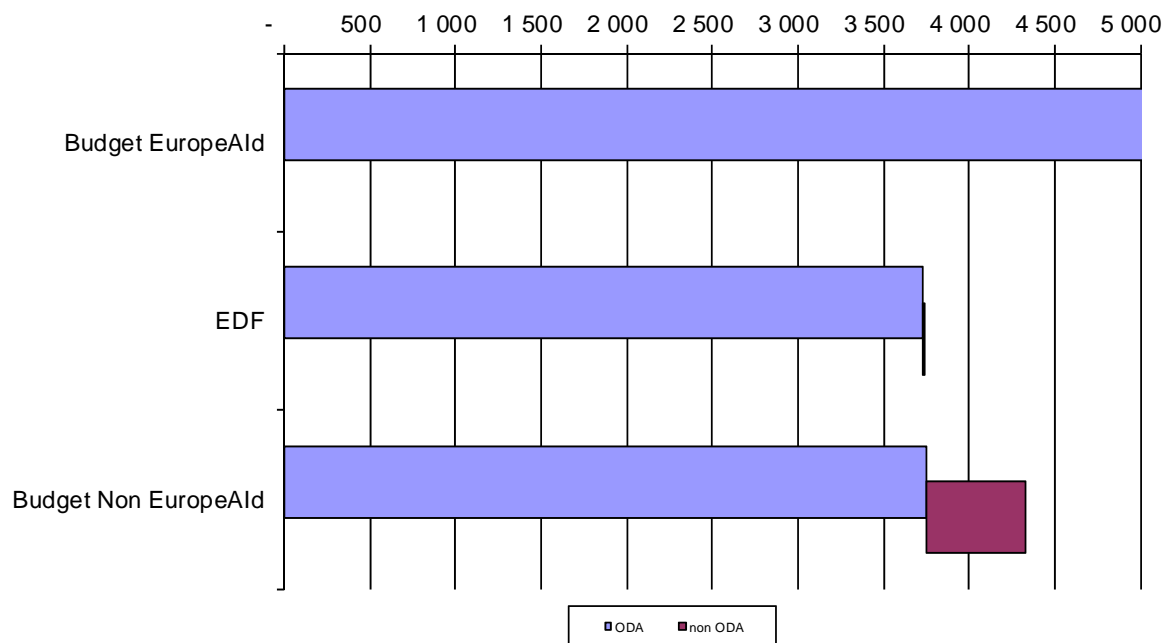
Heading / Policy Area	Description	Total		Managed by EuropeAid		Managed by other DG's		of which ODA	
		Commit.	Disbursements (1)	Commit.	Disbursements (1)	Commit.	Disbursements (1)	Commit.	Disbursements (1)
4 01 - ECFIN	Macroeconomic assistance + EBRD	260.67	290.50			260.67	290.50	0.50	30.33
4 04 - EMPL	Instrument for Preaccession (IPA) — Human resources development	112.15	58.48			112.15	58.48	96.25	45.69
4 05 - AGRI	IPA - Component (2007 - 2013) Rural Development	234.83	10.14			234.83	10.14	205.38	1.39
4 07 - ENV	LIFE (European Financial Instrument for the Environment)	2.66	3.46			2.66	3.46	2.23	2.41
4 13 - REGIO	Pre-accession IPA and former ISPA	504.86	317.69			504.86	317.69	441.22	221.16
4 14 - TAXUD	Customs cooperation and international assistance	1.18	2.05			1.18	2.05		0.81
4+1 15 - EAC	Education, MEDIA programmes in third countries	131.63	113.56			131.63	113.56	81.03	69.15
4 17 - SANCO	International agreements and membership of international organisations	0.45	0.34			0.45	0.34		
4 19 - RELEX	Multilateral relations, cooperation in the areas of migration and asylum, and general external relations matters	58.74	43.34	58.74	43.34			58.74	40.04
4	Common foreign and security policy	335.69	265.47			335.69	265.47	323.87	254.78
4	European initiative for democracy and human rights (EIDHR)	165.93	140.48	128.08	113.94	37.85	26.54	165.53	129.43
4	Relations and cooperation with industrialised non-member countries	28.03	19.46			28.03	19.46		
4	Crisis response and global threats to security	362.78	277.88	144.36	120.32	218.43	157.56	313.48	232.88
4	European Neighbourhood Policy and relations with Russia	2 297.40	1 348.10	2 297.40	1 348.10			2 259.45	1 246.77
4	Relations with Latin America	396.14	291.83	396.14	291.83			370.14	281.89
4	Relations with Asia, Central Asia and East of Jordan countries (1)	937.21	594.71	937.21	594.71			890.71	588.06
4	Policy strategy and coordination for External relations policy area	28.89	24.42	15.70	12.50	13.19	11.91	17.47	13.68
4 20 - TRADE	External trade relations	10.76	11.54			10.76	11.54	2.50	3.17
4 21 - DEV	Food security	247.98	218.27	239.98	218.27	8.00		247.98	217.89
4	Non-State actors in development	233.90	224.04	233.90	224.04			233.90	217.63
4	Environment and sustainable management of natural resources, including energy	209.15	154.90	209.15	154.90			208.55	152.37
4	Human and social development	160.73	157.02	160.73	157.02			160.73	153.22
4	Geographical cooperation with ACP Countries	475.80	287.60	475.80	287.60			427.62	266.98
4	Other cooperation actions and ad-hoc programmes	32.36	30.64	32.36	30.64			3.78	3.78
4	Policy strategy and coordination for Development and relations with ACP States policy area	19.48	16.01	19.48	16.01			19.48	15.65
4 22 - ELARG	Management of the Instrument for Pre-Accession	1 040.99	851.64			1 040.99	851.64	952.31	725.08
4 23 - ECHO	Humanitarian aid including aid to uprooted people, food aid and disaster preparedness	1 236.55	1 073.56			1 236.55	1 073.56	1 236.55	1 070.99
4	Civil protection interventions in third countries	3.63	0.96			3.63	0.96	3.63	0.96
4 32 - ENER	Energy Community	3.05	3.05			3.05	3.05	3.05	3.05
4+5	Administrative expenditure of External assistance (2)	505.56	498.84	362.32	360.84	143.25	138.00	478.67	472.72
<b>TOTAL</b>		<b>10 039.19</b>	<b>7 329.98</b>	<b>5 711.34</b>	<b>3 974.08</b>	<b>4 327.85</b>	<b>3 355.91</b>	<b>9 204.75</b>	<b>6 461.96</b>

(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 2012. (Amount in € million)

**Table 5.4 European Development Fund (EDF) in 2012**

Instruments (1)	Commitments (2)	Disbursements (3)	Of Which ODA	
			Commitments (2)	Disbursements (3)
<b>Lomé</b>				
NIP / RIP Grants	-	6	-	6
Aid for Refugees	-	-	-	-
Stabex	0	3	0	3
Risk Capital	-	2	-	2
SYSMIN	-	0	-	0
Heavily indebted poor countries	-	-	-	-
Use of interest (Lomé)	-	-	-	-
Transfer 6th EDF	-	1	-	1
Transfer 7th EDF	-	15	-	15
<b>Total Lomé</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>27</b>
<b>Cotonou</b>				
A Envelope - Programmable Aid	2 346	1 866	2 330	1 826
Envelope B - unforeseen	539	382	539	381
Regional projects	682	311	679	308
Intra ACP	173	603	173	428
Co financing A Envelope	-	-	-	-
Other	-	0	-	0
Implementation expenditure + Congo Rep. Dem.	5	103	5	103
<b>Total Cotonou</b>	<b>3 744</b>	<b>3 265</b>	<b>3 725</b>	<b>3 046</b>
<b>Grand total EDF</b>	<b>3 745</b>	<b>3 292</b>	<b>3 726</b>	<b>3 072</b>
Breakdown by instrument of development assistance financed on the European Development Fund (EDF) in 2012 (amount in € million).				
(1) Except The Investment Facility (10th EDF) managed by the EIB				
(2) Commitments 2012 have been calculated following DAC procedures :				
Total commitments made in 2012 reduced by decommitments made on projects committed in 2012				

**Table 5.5 Proportion of external assistance used for Official Development Aid (ODA)**



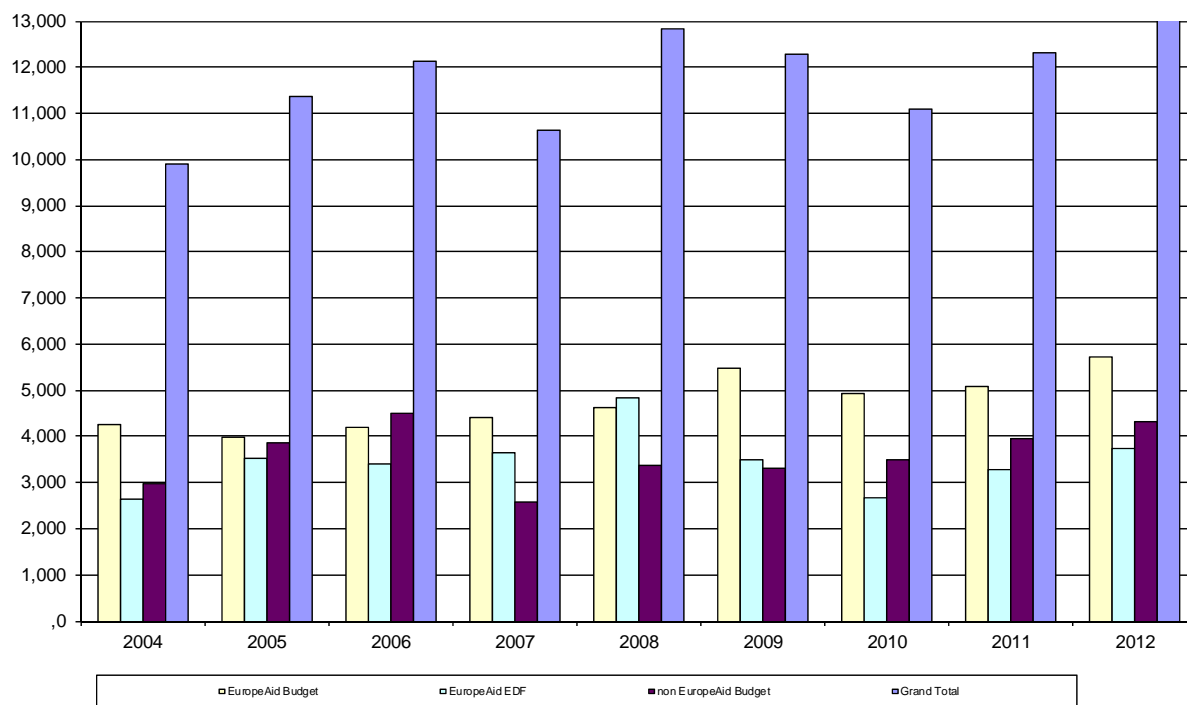
**Commitments in €million**

	<b>ODA</b>	<b>non ODA</b>	<b>Total</b>
Budget EuropeAid	5 459	253	5 711
EDF	3 726	19	3 745
Budget Non EuropeAid	3 746	582	4 328
<b>Total</b>	<b>12 930</b>	<b>853</b>	<b>13 784</b>

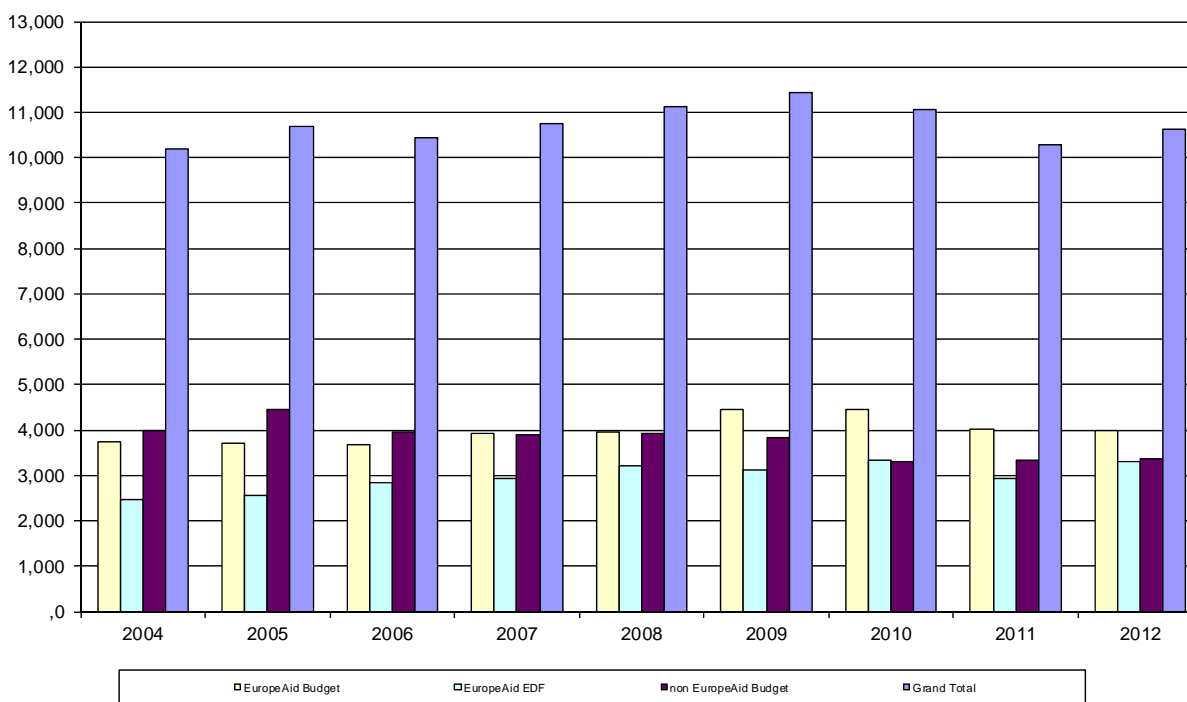


Table 5.6 2004-2012 External assistance

Commitments in €million



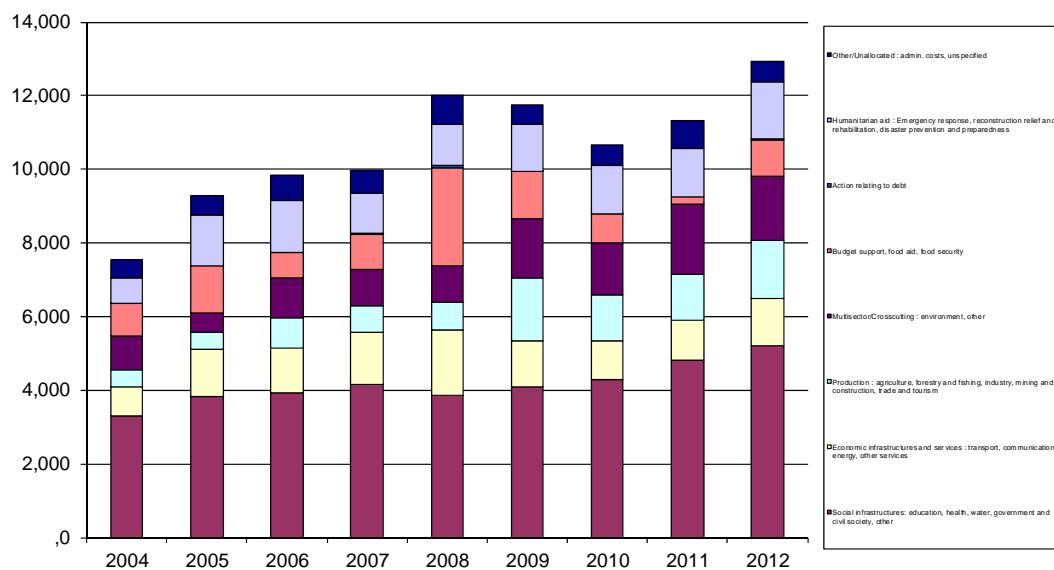
Disbursements in €million



External aid financed on the general Commission budget and the European Development Fund (EDF) managed by EuropeAid.  
Bilateral and multilateral ODA / other flow s.

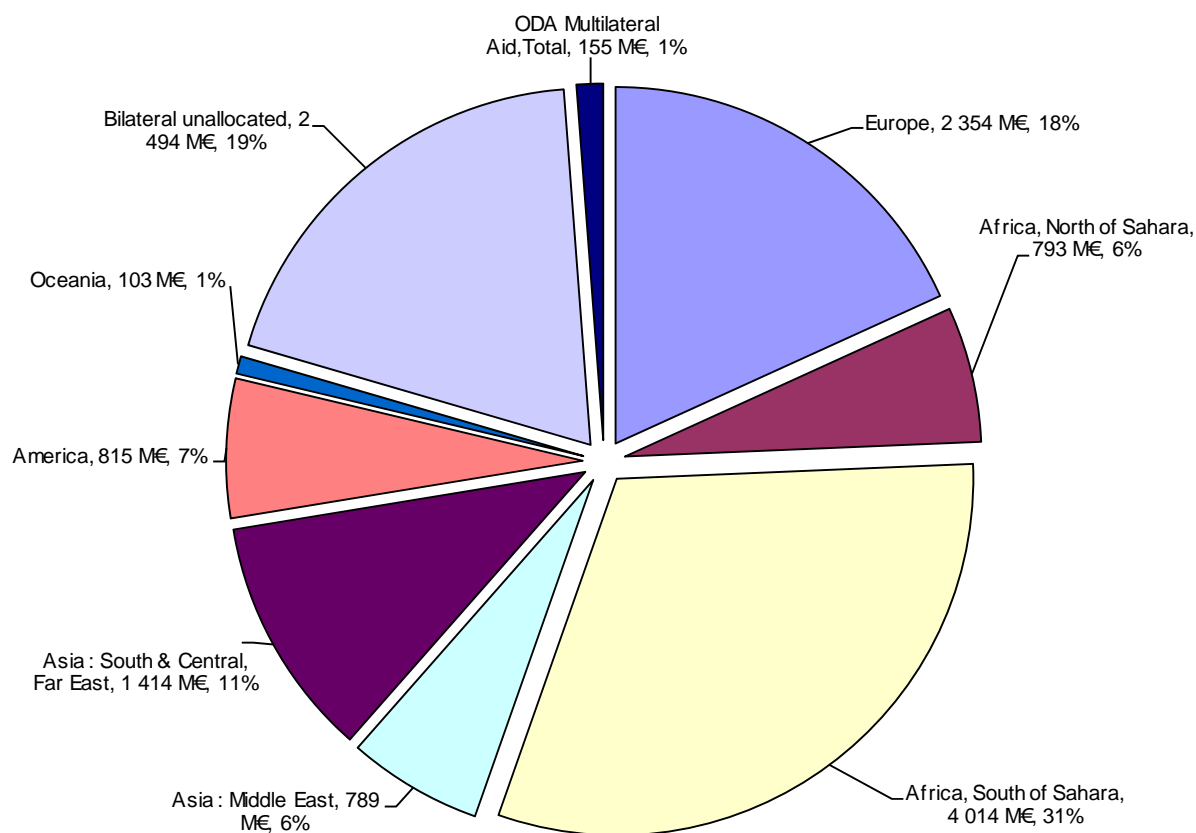
Table 5.7 Sectoral breakdown of Official Development Assistance (ODA) 2004 - 2012

Commitments in €million



Bilateral and multilateral ODA flows.

**Table 5.8 Regional distribution of aid to developing countries (ODA) in 2012**



Commitments in € million

(€million)	Grand total		Managed by EuropeAid		Managed by other DGs	
	Commitment	Disbursements	Commitment	Disbursements	Commitment	Disbursements
<b>Region (1)</b>						
Europe	2 354	1 430	525	307	1 829	1 123
Africa, North of Sahara	793	503	760	466	33	37
Africa, South of Sahara	4 014	3 897	3 770	3 211	243	686
Asia : Middle East	789	594	444	390	344	204
Asia : South & Central, Far East	1 414	1 182	1 118	831	296	351
America	815	731	737	649	78	82
Oceania	103	70	103	69	0	1
Bilateral unallocated	2 494	889	1 573	635	921	255
ODA Multilateral Aid, Total	155	238	153	236	2	2
<b>TOTAL ODA</b>	<b>12 930</b>	<b>9 535</b>	<b>9 184</b>	<b>6 794</b>	<b>3 746</b>	<b>2 740</b>

(1) Following OECD region.

Cfr tables "Country breakdown of EC Development Aid in 2012".

**Table 5.9 Regional distribution of aid to developing countries (ODA) 2007-2012**

<b>Commitments in € million</b>							
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	
Europe	1 565	2 093	2 030	2 230	2 269	2 354	
Africa	3 687	5 272	4 577	3 230	3 975	4 807	
	North Of Sahara	521	546	618	673	678	793
	South Of Sahara	3 113	4 726	3 929	2 500	3 151	3 956
	Regional	53	-	30	57	146	58
America	820	642	899	934	716	815	
	North & Central	387	329	621	609	445	525
	South	334	312	260	257	246	184
	Regional	100	2	19	68	25	106
Asia	1 728	1 946	2 043	2 063	2 000	2 202	
	Middle East	743	735	669	652	663	789
	South & Central	739	886	1 024	948	1 099	1 194
	Far East	164	233	295	363	158	140
	Regional	81	91	56	99	79	80
Oceania	141	19	89	116	19	103	
Bilateral unallocated	1 586	1 586	2 000	1 761	2 134	2 494	
ODA Multilateral Aid, Total	431	366	125	325	210	155	
<b>TOTAL ODA</b>	<b>9 959</b>	<b>11 923</b>	<b>11 764</b>	<b>10 658</b>	<b>11 323</b>	<b>12 930</b>	

<b>Disbursements in € Million</b>							
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	
Europe	1 062	1 242	1 720	1 507	1 437	1 430	
Africa	3 779	4 003	4 111	4 161	3 939	4 401	
	North Of Sahara	692	570	610	537	517	503
	South Of Sahara	3 024	3 433	3 478	3 563	3 170	3 727
	Regional	63	1	23	61	252	171
America	776	769	809	973	721	731	
	North & Central	454	415	441	666	421	422
	South	275	314	348	287	270	292
	Regional	47	40	20	21	30	17
Asia	1 496	1 850	1 854	1 845	1 868	1 776	
	Middle East	574	709	617	596	507	594
	South & Central	604	858	908	935	996	821
	Far East	263	250	266	267	315	299
	Regional	55	33	63	47	49	62
Oceania	52	65	59	91	85	70	
Bilateral unallocated	856	1 025	955	1 084	916	889	
ODA Multilateral Aid, Total	472	239	292	179	248	238	
<b>TOTAL ODA</b>	<b>8 493</b>	<b>9 194</b>	<b>9 800</b>	<b>9 841</b>	<b>9 213</b>	<b>9 535</b>	

Bilateral and multilateral ODA flows.

(1) Following OECD region.

Cfr table "Country breakdown of EC Development Aid in 2012".

**Table 5.10 Country breakdown of European Commission development aid in 2012**

Commitments (€ Million)

Country/Region	Budget EuropeAid	Budget non EuropeAid	EDF	Grand Total
<b>Part I : Developing Countries &amp; Territories (ODA)</b>				
Europe, Total	524.84	1 828.92		2 353.76
Albania		86.67		86.67
Belarus	26.47	4.00		30.47
Bosnia and Herzegovina		100.58		100.58
Kosovo (1)		182.84		182.84
fYRoM		99.32		99.32
Republic of Moldova (2)	122.00			122.00
Montenegro		31.81		31.81
Serbia		184.54		184.54
Turkey	0.82	856.62		857.44
Ukraine	167.03			167.03
States of ex-Yugoslavia unspecif.				
Europe, Regional	208.53	282.54		491.07
Africa, Total	1 256.34	276.14	3 274.52	4 807.00
North Of Sahara, Total	760.45	32.83		793.29
Algeria	84.00	13.77		97.77
Egypt	250.00	0.12		250.12
Libya	25.00	17.99		42.99
Morocco	207.00			207.00
Tunisia	132.52	0.00		132.52
North Of Sahara, Regional	61.94	0.95		62.88
South Of Sahara, Total	448.40	242.62	3 264.52	3 955.54
Angola		0.16	34.00	34.16
Benin			56.00	56.00
Botswana			26.68	26.68
Burkina Faso	8.00	3.00	117.48	128.48
Burundi	8.00	0.00	62.33	70.33
Cameroon	44.04		28.00	72.04
Cape Verde			32.30	32.30
Central African Rep.	4.00	12.00	22.00	38.00
Chad		37.50	114.40	151.90
Comoros		0.00	19.59	19.59
Congo, Dem. Rep.		77.29	50.00	127.29
Congo, Rep.	6.62	1.25	44.50	52.37
Cote d'Ivoire	45.33	20.00	149.56	214.89
Djibouti		0.13	47.50	47.63
Equatorial Guinea				
Eritrea				
Ethiopia	0.01	0.00	35.00	35.01
Gabon			6.01	6.01
Gambia			9.50	9.50
Ghana	7.24	0.14	97.00	104.38
Guinea	5.00		20.41	25.41
Guinea-Bissau		0.15		0.15
Kenya	7.76	4.68	52.61	65.05
Lesotho	4.00		1.50	5.50
Liberia	5.01	4.00	60.13	69.14
Madagascar	4.69	1.00	154.41	160.10
Malawi		0.11	210.00	210.11
Mali		0.00	33.00	33.00
Mauritania			67.14	67.14
Mauritius	30.77		8.10	38.87
Mozambique		0.00	121.98	121.98
Namibia			32.00	32.00
Niger	3.50	19.62	83.90	107.02
Nigeria		5.53	89.00	94.53
Rwanda			26.00	26.00
St. Helena				
Sao Tome & Principe			2.67	2.67
Senegal		0.20	8.00	8.20
Seychelles			3.00	3.00
Sierra Leone		4.11	71.82	75.93
Somalia		0.00	162.00	162.00
South Africa	130.45			130.45
Sudan		0.02	10.00	10.02
South Sudan		12.50	5.00	17.50
Swaziland			7.00	7.00
Tanzania	6.57	0.00	126.51	133.08
Togo			84.30	84.30
Uganda		0.00	103.50	103.50
Zambia			78.10	78.10
Zimbabwe	8.36	11.20	87.20	106.76
South Of Sahara, Regional	119.05	28.01	603.40	750.46
Africa, Regional	47.49	0.68	10.00	58.17

America, Total	512.12	77.97	224.85	814.95
North & Central, Total	248.05	52.47	224.85	525.38
Anguilla			11.70	11.70
Antigua & Barbuda				
Belize	25.28		2.50	27.78
Costa Rica		0.00		0.00
Cuba		4.00		4.00
Dominica	15.27		9.03	24.30
Dominican Republic	16.34	0.00	61.60	77.94
El Salvador		0.10		0.10
Grenada			8.00	8.00
Guatemala	12.00	2.00		14.00
Haiti		46.25	47.05	93.30
Honduras	67.06	0.00		67.06
Jamaica	4.73		0.60	5.33
Mexico	13.50	0.12		13.62
Montserrat			15.66	15.66
Nicaragua	40.00	0.00		40.00
Panama		0.00		0.00
St. Kitts-Nevis	12.93			12.93
St. Lucia	10.35		8.74	19.09
St. Vincent & Grenadines	9.93		1.46	11.39
West Indies, Regional	10.00		58.51	68.51
N. & C. America, Regional	10.66			10.66
South, Total	158.05	25.50		183.55
Argentina	0.00			0.00
Bolivia	40.00	4.00		44.00
Brazil	7.59			7.59
Chile				
Colombia	8.20	21.41		29.61
Ecuador	32.00			32.00
Guyana	23.36			23.36
Paraguay		0.09		0.09
Peru	13.00			13.00
Suriname	9.30			9.30
Uruguay	11.10			11.10
Venezuela				
South America, Regional	13.50			13.50
America, Regional	106.02			106.02
Asia, Total	1 531.73	639.95	30.73	2 202.41
Middle East, Total	444.50	344.31		788.81
Iran		0.00		0.00
Iraq	4.00	49.15		53.15
Jordan	120.00	2.08		122.08
Lebanon	91.00	22.01		113.01
Occupied Palestinian territory	162.15	55.73		217.88
Syria	12.60	173.94		186.54
Yemen	18.00	40.10		58.10
Middle East, Regional	36.75	1.30		38.05
South & Centr. Asia, Total	913.80	279.95		1 193.76
Afghanistan	190.00	93.61		283.61
Armenia	75.02			75.02
Azerbaijan	19.50			19.50
Bangladesh	61.75	19.26		81.01
Bhutan				
Georgia	82.00	29.05		111.05
India		7.00		7.00
Kazakhstan	13.31	0.00		13.31
Kyrgyz Rep.	35.00	0.05		35.05
Maldives				
Myanmar (Burma)	81.75	36.40		118.15
Nepal	169.10	1.20		170.30
Pakistan	81.20	80.12		161.32
Sri Lanka	23.00	4.50		27.50
Tajikistan	8.00	2.00		10.00
Turkmenistan	0.72			0.72
Uzbekistan	0.05	0.00		0.05
Central Asia, Regional	63.40	2.62		66.02
South Asia, Regional		4.15		4.15
South & Central Asia, Regional	10.00			10.00
Far East, Total	93.93	15.68	30.73	140.34
Cambodia	20.00			20.00
China				
Indonesia	10.00			10.00
Korea, Dem.				
Laos	25.50			25.50
Malaysia	6.00			6.00
Mongolia	6.93			6.93
Philippines	14.00	12.70		26.70
Thailand		0.00		0.00
Timor-Leste	4.00	2.98	30.73	37.71
Viet Nam				
Far East Asia, Regional	7.50			7.50
Asia, Regional	79.50			79.50

Oceania, Total	16.31	0.00	86.82	103.13
Cook Islands				
Fiji	10.31			10.31
Kiribati			6.33	6.33
Marshall Islands				
Micronesia, Fed. Sts.				
Nauru				
Niue				
Palau				
Papua New Guinea	6.00	0.00	12.04	18.04
Samoa			18.95	18.95
Solomon Islands		0.00	5.16	5.16
Tokelau				
Tonga			7.86	7.86
Tuvalu			2.38	2.38
Vanuatu		0.00	2.50	2.50
Wallis & Futuna				
Oceania, Regional			31.60	31.60
Bilateral unallocated	1 464.08	920.99	108.61	2 493.68
<b>Part I (ODA) Bilateral, Total</b>	5 305.43	3 743.96	3 725.53	12 774.92
Public Private Partnerships				
United Nations	67.92	2.14		70.06
UNRWA	65.02			65.02
UNDP				
WFP				
WHO				
FAO	0.14			0.14
International Monetary Fund (IMF)				
World Bank Group				
World Trade Organisation				
Regional Development Banks	35.30			35.30
Other Multilateral Institutions	50.00			50.00
GFTAM	50.00			50.00
Others				
<b>Part I (ODA) Multilateral Aid, Total</b>	153.22	2.14		155.36
<b>Part I (ODA), Total</b>	5 458.65	3 746.10	3 725.53	12 930.28

**Part II: Countries and Territories in Transition (non ODA)**

More Advanced Developing Countries	54.20	52.58	11.33	118.12
Aruba				
Bahamas				
Bahrain				
Barbados	13.46		8.33	21.79
Bermuda				
Brunei				
Cayman Islands				
Falkland Islands				
French Polynesia				
Gibraltar				
Hong Kong, China				
Israel	2.00			2.00
Korea				
Kuwait				
Macao				
Mayotte			3.00	3.00
Netherlands Antilles				
New Caledonia				
Oman				
Pitcairn Islands				
Qatar				
Saint Pierre and Miquelon				
Saudi Arabia				
Singapore				
Taiwan				
Trinidad & Tobago	31.72			31.72
Turks & Caicos Islands				
United Arab Emirates				
Virgin Islands (UK)				
MADCT Unallocated	7.02	52.58		59.61
CEECs/NIS	52.51	181.85		234.36
Bulgaria				
Croatia		141.02		141.02
Cyprus		28.09		28.09
Czech Republic				
Estonia				
Greenland	28.44			28.44
Hungary				
Iceland		12.70		12.70
Latvia				
Lithuania		0.04		0.04
Malta				
Poland				
Romania				
Russia	0.41			0.41
Slovak Republic				
Slovenia				
Europe Unallocated	23.66			23.66
CEECs Unallocated				
<b>Part II (Non-OA) Bilateral Aid, Total</b>	<b>106.72</b>	<b>234.43</b>	<b>11.33</b>	<b>352.48</b>
<b>EBRD</b>				
<b>Part II (non-ODA) Multilateral Aid, Total</b>				
<b>Part II (non-ODA), Total</b>	<b>106.72</b>	<b>234.43</b>	<b>11.33</b>	<b>352.48</b>
<b>Grand Total Part I &amp; Part II</b>	<b>5 565.37</b>	<b>3 980.53</b>	<b>3 736.86</b>	<b>13 282.76</b>

Breakdown by country/region of external aid financed on the general Commission budget and the European Development Fund (EDF) in 2012.

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 2012**

Disbursements (€ Million)

Country/Region	Budget EuropeAid	Budget non EuropeAid	EDF	Grand Total
<b>Part I : Developing Countries &amp; Territories (ODA)</b>				
Europe, Total	306.87	1 122.82	0.08	1 429.77
Albania	0.76	68.18		68.95
Belarus	14.43	1.19		15.62
Bosnia and Herzegovina	1.67	65.53		67.20
Kosovo (1)	1.25	155.09		156.34
fYRoM	0.62	40.34		40.96
Republic of Moldova (2)	61.16	30.34		91.49
Montenegro	0.09	27.61		27.69
Serbia	1.83	183.74		185.57
Turkey	2.03	416.84		418.88
Ukraine	86.70	0.07		86.77
States of ex-Yugoslavia unspecif.		0.26		0.26
Europe, Regional	136.33	133.62	0.08	270.04
Africa, Total	991.64	723.43	2 685.76	4 400.83
North Of Sahara, Total	466.38	36.99	0.03	503.40
Algeria	30.95	16.04		46.98
Egypt	90.81	2.05		92.86
Libya	7.62	15.11		22.73
Morocco	113.13	0.01		113.14
Tunisia	144.56	2.72		147.28
North Of Sahara, Regional	79.32	1.06	0.03	80.41
South Of Sahara, Total	490.70	685.26	2 550.94	3 726.90
Angola	4.28	0.14	16.20	20.62
Benin	2.01	0.29	62.60	64.90
Botswana	0.08		4.00	4.08
Burkina Faso	6.05	26.84	88.93	121.83
Burundi	3.21	3.93	38.58	45.71
Cameroon	7.44	6.43	74.99	88.86
Cape Verde	0.29	0.04	8.92	9.25
Central African Rep.	3.32	11.22	30.17	44.70
Chad	2.23	44.66	49.20	96.10
Comoros	0.15	0.21	9.36	9.72
Congo, Dem. Rep.	20.99	76.99	84.42	182.39
Congo, Rep.	3.32	0.59	9.23	13.14
Cote d'Ivoire	5.63	26.27	100.64	132.54
Djibouti	0.40	2.88	10.45	13.73
Equatorial Guinea			0.61	0.61
Eritrea	1.98	0.14	5.21	7.33
Ethiopia	9.20	44.61	139.30	193.11
Gabon			5.13	5.13
Gambia	0.24	0.02	15.62	15.87
Ghana	3.91	1.43	64.32	69.66
Guinea	3.43	0.70	27.50	31.64
Guinea-Bissau	3.63	1.23	6.61	11.47
Kenya	13.99	38.27	72.78	125.04
Lesotho	0.87	0.00	36.90	37.77
Liberia	5.58	13.34	59.00	77.92
Madagascar	6.31	6.57	15.60	28.47
Malawi	7.65	1.85	82.34	91.84
Mali	4.04	23.69	38.96	66.68
Mauritania	2.29	14.41	35.76	52.46
Mauritius	43.01	0.04	14.31	57.36
Mozambique	10.81	1.44	130.33	142.59
Namibia	0.51	0.33	20.11	20.95
Niger	3.70	48.08	124.05	175.84
Nigeria	2.99	11.24	89.61	103.84
Rwanda	5.01	1.30	64.62	70.92
St. Helena				
Sao Tome & Principe	0.30		4.07	4.36
Senegal	2.32	16.32	64.88	83.52
Seychelles	1.14		3.47	4.61
Sierra Leone	13.37	4.18	40.48	58.02
Somalia	10.44	65.78	56.74	132.95
South Africa	145.26			145.26
Sudan	14.62	117.69	17.07	149.38
South Sudan	1.52	31.03	3.91	36.46
Swaziland	8.22	0.00	6.94	15.16
Tanzania	5.64	5.45	98.84	109.92
Togo	1.47	0.33	19.59	21.39
Uganda	6.68	4.75	92.66	104.08
Zambia	6.01	0.08	53.56	59.65
Zimbabwe	19.68	12.85	44.40	76.93
South Of Sahara, Regional	65.50	17.64	407.97	491.11
Africa, Regional	34.55	1.18	134.80	170.52

America, Total	459.37	81.67	189.59	730.62
North & Central, Total	184.35	56.57	181.12	422.04
Anguilla			3.62	3.62
Antigua & Barbuda			0.27	0.27
Belize	8.39		3.44	11.83
Costa Rica	2.80	0.22		3.02
Cuba	5.19	0.65		5.84
Dominica	3.40	0.06	0.46	3.92
Dominican Republic	2.99	1.89	50.54	55.42
El Salvador	15.88	2.33		18.22
Grenada	0.02		0.97	0.98
Guatemala	21.58	2.93		24.50
Haiti	8.99	40.90	52.34	102.23
Honduras	37.78	2.86		40.64
Jamaica	4.56	0.24	9.59	14.40
Mexico	15.55	0.10		15.65
Montserrat			5.13	5.13
Nicaragua	19.44	3.26		22.70
Panama	0.86	0.32		1.18
St. Kitts-Nevis	15.19		0.43	15.62
St. Lucia	4.72		12.44	17.16
St. Vincent & Grenadines	1.91	0.09	4.66	6.66
West Indies, Regional	1.93		28.05	29.99
N. & C. America, Regional	13.16	0.72	9.17	23.05
South, Total	258.10	25.09	8.47	291.66
Argentina	9.28	0.17		9.45
Bolivia	44.92	2.97		47.89
Brazil	16.66	0.27		16.92
Chile	1.47	0.04		1.51
Colombia	28.79	14.13		42.92
Ecuador	29.76	2.82		32.58
Guyana	20.33		4.06	24.39
Paraguay	14.51	1.07		15.58
Peru	26.46	2.39		28.85
Suriname	0.18	0.05	4.40	4.63
Uruguay	3.36			3.36
Venezuela	5.80	0.67		6.47
South America, Regional	56.58	0.53		57.10
America, Regional	16.92			16.92
Asia, Total	1 201.05	554.83	20.40	1 776.28
Middle East, Total	390.06	204.00		594.06
Iran	1.21	1.60		2.81
Iraq	27.42	43.82		71.25
Jordan	94.13	12.14		106.27
Lebanon	32.12	17.95		50.07
Occupied Palestinian territory	184.56	62.53		247.09
Syria	2.27	25.55		27.82
Yemen	11.06	38.94		50.00
Middle East, Regional	37.29	1.47		38.76
South & Centr. Asia, Total	509.52	311.62		821.14
Afghanistan	105.36	94.28		199.63
Armenia	30.90	0.91		31.81
Azerbaijan	20.06	0.31		20.37
Bangladesh	76.48	23.27		99.75
Bhutan	4.11			4.11
Georgia	65.72	26.11		91.82
India	19.39	8.55		27.95
Kazakhstan	7.93	1.38		9.31
Kyrgyz Rep.	13.87	5.05		18.92
Maldives	3.66			3.66
Myanmar (Burma)	17.43	18.67		36.11
Nepal	15.93	5.45		21.38
Pakistan	33.93	113.99		147.91
Sri Lanka	29.33	6.84		36.17
Tajikistan	24.25	4.11		28.35
Turkmenistan	3.62	0.46		4.08
Uzbekistan	2.31	0.46		2.77
Central Asia, Regional	19.44	1.78		21.21
South Asia, Regional	5.65			5.65
South & Central Asia, Regional	10.18			10.18
Far East, Total	239.84	39.21	20.40	299.45
Cambodia	27.53	4.67		32.20
China	31.84			31.84
Indonesia	101.59	3.10		104.68
Korea, Dem.	5.22	0.10		5.33
Laos	7.26	2.97		10.23
Malaysia	0.58			0.58
Mongolia	2.86	0.21		3.06
Philippines	22.96	12.97		35.93
Thailand	8.24	8.02		16.26
Timor-Leste	3.84	2.87	20.40	27.11
Viet Nam	22.21	4.23		26.44
Far East Asia, Regional	5.71	0.08		5.79
Asia, Regional	61.63			61.63

Oceania, Total	11.71	1.00	56.93	69.64
Cook Islands			0.56	0.56
Fiji	4.92	0.22	0.80	5.94
Kiribati			1.97	1.97
Marshall Islands			0.09	0.09
Micronesia, Fed. Sts.			0.05	0.05
Nauru			1.08	1.08
Niue			0.48	0.48
Palau			0.00	0.00
Papua New Guinea	1.56	0.24	10.33	12.13
Samoa	0.76	0.06	6.27	7.09
Solomon Islands	1.56	0.15	8.14	9.85
Tokelau				
Tonga		0.06	0.55	0.61
Tuvalu			0.64	0.64
Vanuatu	1.67	0.28	2.10	4.05
Wallis & Futuna			4.97	4.97
Oceania, Regional	1.24		18.90	20.13
Bilateral unallocated	564.71	254.56	70.06	889.33
<b>Part I (ODA) Bilateral, Total</b>	<b>3 535.35</b>	<b>2 738.31</b>	<b>3 022.82</b>	<b>9 296.47</b>
Public Private Partnerships				
United Nations	92.92	2.15		95.06
UNRWA	82.27			82.27
UNDP				
WFP				
WHO				
FAO	0.14	0.01		0.15
International Monetary Fund (IMF)	37.30			37.30
World Bank Group			50.00	50.00
World Trade Organisation				
Regional Development Banks				
Other Multilateral Institutions	55.94			55.94
GFTAM	50.00			50.00
Others				
<b>Part I (ODA) Multilateral Aid, Total</b>	<b>186.16</b>	<b>2.15</b>	<b>50.00</b>	<b>238.31</b>
<b>Part I (ODA), Total</b>	<b>3 721.51</b>	<b>2 740.45</b>	<b>3 072.82</b>	<b>9 534.78</b>

**Part II: Countries and Territories in Transition (non ODA)**

More Advanced Developing Countries	58.24	52.18	33.94	144.36
Aruba			0.03	0.03
Bahamas		0.02	1.19	1.21
Bahrain				
Barbados	10.80		0.65	11.45
Bermuda				
Brunei				
Cayman Islands				
Falkland Islands				
French Polynesia			11.08	11.08
Gibraltar				
Hong Kong, China				
Israel	9.37	0.62		9.99
Korea				
Kuwait				
Macao				
Mayotte			9.39	9.39
Netherlands Antilles			0.06	0.06
New Caledonia			1.11	1.11
Oman				
Pitcairn Islands			1.14	1.14
Qatar				
Saudi Arabia				
Saint Pierre and Miquelon				
Singapore				
Taiwan				
Trinidad & Tobago	9.82	0.09	1.14	11.05
Turks & Caicos Islands		0.02	5.93	5.95
United Arab Emirates				
Virgin Islands (UK)				
MADCT Unallocated	28.25	51.43	2.24	81.92
CEECs/NIS	49.72	191.05		240.76
Bulgaria	0.12	17.01		17.13
Croatia	0.21	92.39		92.60
Cyprus		24.96		24.96
Czech Republic		0.40		0.40
Estonia				
Greenland	26.73			26.73
Hungary		1.25		1.25
Iceland		4.31		4.31
Latvia		0.43		0.43
Lithuania	0.00	2.44		2.45
Malta				
Poland		0.03		0.03
Romania		45.82		45.82
Russia	22.21			22.21
Slovak Republic		0.01		0.01
Slovenia	0.02	0.64		0.66
Europe Unallocated	0.42	1.37		1.79
CEECs Unallocated	23.51	7.36	7.05	37.92
<b>Part II (Non-OA) Bilateral Aid, Total</b>	<b>131.46</b>	<b>250.59</b>	<b>40.99</b>	<b>423.05</b>
<b>EBRD</b>				
<b>Part II (non-ODA) Multilateral Aid, Total</b>				
<b>Part II (non-ODA), Total</b>	<b>131.46</b>	<b>250.59</b>	<b>40.99</b>	<b>423.05</b>
<b>Grand Total Part I &amp; Part II</b>	<b>3 852.98</b>	<b>2 991.05</b>	<b>3 113.81</b>	<b>9 957.83</b>

Breakdown by country/region of external aid financed on the general Commission budget and the European Development Fund (EDF) in 2012.

Bilateral and multilateral ODA / non-ODA countries.

(1) UNSCR 1244/99

(2) henceforth Moldova

Table 5.12 ODA Recipient by main OECD sector in 2012

Disbursements in € 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
<b>Least Developed Countries (LDC)</b>										
Afghanistan	6.36	199.63	126.59	0.60	20.15	9.67	7.05		35.56	0.01
Angola	1.08	20.62	12.69		0.92	1.91	0.18		4.91	0.01
Bangladesh	0.67	99.75	37.54	0.02	5.77	11.29	15.35		29.01	0.76
Benin	7.33	64.90	17.23	28.92	0.64	1.71	16.00		0.37	0.03
Bhutan	5.66	4.11	1.61	0.02	0.38	2.10				0.00
Burkina Faso	7.40	121.83	22.37	11.10	1.17	1.93	58.18		27.07	
Burundi	5.45	45.71	12.69	16.72	5.08	3.59	0.98		6.42	0.23
Cambodia	2.28	32.20	20.38		3.66	2.31	1.13		4.67	0.05
Central African Rep.	10.16	44.70	11.24	13.26	1.06	4.35	5.58		9.07	0.15
Chad	8.56	96.10	24.25	3.66	4.04	8.63	0.25		55.08	0.18
Comoros	13.23	9.72	2.59	3.52	0.37			3.03	0.21	0.00
Congo, Dem. Rep.	2.76	182.39	71.52	18.32	21.18	7.34	0.10		62.15	1.77
Djibouti	15.45	13.73	9.65	0.21	0.01	0.15	0.02		3.36	0.34
Equatorial Guinea	0.87	0.61	0.61							
Eritrea	1.40	7.33	3.13	1.87	1.84	0.06	0.30		0.14	
Ethiopia	2.33	193.11	51.34	81.09	4.74	4.78	6.96		43.87	0.33
Gambia	9.18	15.87	2.49	13.13	0.25					
Guinea	3.17	31.64	10.13	5.14	0.51	0.75	2.55	9.46	2.80	0.30
Guinea-Bissau	7.57	11.47	8.55	0.42	1.49	0.54	0.31		0.16	
Haiti	10.23	102.23	21.18	17.59	3.23	7.33	10.39		42.44	0.08
Kiribati	19.78	1.97	0.27	0.19	0.94				0.56	
Laos	1.65	10.23	4.35		0.45	0.31	2.06		2.97	0.09
Lesotho	17.40	37.77	20.11	5.43	0.03	0.14	10.86		1.20	
Liberia	19.51	77.92	23.19	15.98	3.82	7.98	13.18		13.76	0.00
Madagascar	1.37	28.47	12.62	4.23	2.10	0.96	1.05		7.51	
Malawi	6.16	91.84	9.09	24.55	10.86	2.48	42.49		1.98	0.38
Mali	4.34	66.68	6.17	16.14	8.91	1.00	10.24		23.79	0.42
Mauritania	15.16	52.46	10.25	19.17	1.13	0.06	6.91		14.94	
Mozambique	6.10	142.59	24.38	48.35	1.47	5.29	60.86		2.24	0.00
Myanmar (Burma)	0.75	36.11	15.92	0.11	0.40	1.00	1.06		17.50	0.13
Nepal	0.71	21.38	14.49	1.22	0.27	0.23	1.86		3.08	0.24
Niger	11.34	175.84	31.78	14.96	3.66	2.75	83.28		38.78	0.63
Rwanda	6.68	70.92	18.23	8.85	6.89	2.51	33.13		1.30	0.02
Samoa	38.72	7.09	6.96			0.07			0.06	
Sao Tome & Principe	26.38	4.36	0.64	3.23	0.28		0.16			0.06
Senegal	6.72	83.52	13.87	22.08	0.85	2.99	24.82		13.69	5.23
Sierra Leone	9.89	58.02	20.47	12.21	2.27	2.89	18.36		1.79	0.05
Solomon Islands	18.30	9.85	2.65	1.85	0.09	3.94	1.24		0.08	
Somalia	14.25	132.95	50.00	6.00	7.60	1.30	4.03		64.02	
South Sudan	3.97	36.46	10.58		0.10		0.84		24.94	
Sudan	4.35	149.38	20.54	0.08	0.25	3.43	22.01		103.05	0.01
Tanzania	2.45	109.92	24.94	21.13	4.66	3.08	50.67		5.41	0.03
Timor-Leste	24.11	27.11	11.73	0.70	2.73	9.39	2.51		0.05	
Togo	3.55	21.39	15.63	0.71	0.37	4.37	0.20		0.05	0.06
Tuvalu	64.66	0.64	0.64							
Uganda	3.11	104.08	25.88	36.11	15.30	0.05	22.16		4.11	0.49
Vanuatu	16.90	4.05	0.94		0.59	1.61	0.63		0.28	
Yemen	2.08	50.00	7.25		2.17		2.38		38.04	0.16
Zambia	4.56	59.65	20.67	3.78	0.67		34.09		0.10	0.34
South Of Sahara, Regional - LDC's										
Asia, Regional - LDC's										
<b>Total Least Developed Countries</b>	<b>3.57</b>	<b>2 970.31</b>	<b>892.01</b>	<b>482.65</b>	<b>155.36</b>	<b>126.28</b>	<b>576.38</b>	<b>12.48</b>	<b>712.55</b>	<b>12.59</b>

<b>Other Low Income Countries (OLIC)</b>									
Kenya	3.09	125.04	16.13	20.16	12.34	2.97	17.64	55.55	0.24
Korea, Dem.	0.22	5.33	0.40				4.82	0.10	
Kyrgyz Rep.	3.55	18.92	14.95	0.74	0.38	1.32		1.52	0.01
Tajikistan	4.12	28.35	14.63	3.52	3.07	2.02	0.92	4.11	0.09
Zimbabwe	6.12	76.93	42.19	0.80	14.41	5.89	4.69	8.94	
<b>Total Other Low Income Countries</b>	<b>2.84</b>	<b>254.58</b>	<b>88.30</b>	<b>25.22</b>	<b>30.20</b>	<b>12.21</b>	<b>28.07</b>	<b>70.22</b>	<b>0.35</b>
<b>Lower Middle Income Countries (LMIC)</b>									
Armenia	10.29	31.81	16.87	4.63	1.23	8.02	0.06	0.91	0.09
Belize	37.96	11.83	2.06	1.52	5.96	2.29			
Bolivia	4.82	47.89	25.40	7.23	2.06	10.94	0.29	1.97	0.00
Cameroon	4.53	88.86	16.60	41.64	9.67	11.50		9.43	0.01
Cape Verde	18.64	9.25	8.28	0.36	0.07	0.17	0.32	0.04	
Congo, Rep.	3.25	13.14	6.64	0.76	1.88	1.95		1.80	0.11
Cote d'Ivoire	6.72	132.54	23.46	17.09	7.84	0.18	55.00	28.93	0.03
Egypt	1.14	92.86	35.25	52.63	1.24	3.72			0.01
El Salvador	2.94	18.22	10.94	3.96	0.65	0.43		2.24	
Fiji	6.90	5.94	2.04	0.08	3.49	0.10		0.22	
Georgia	21.10	91.82	58.62	13.89	3.88	1.25		13.97	0.22
Ghana	2.86	69.66	19.30	16.42	1.88	0.08	30.77	1.20	0.01
Guatemala	1.70	24.50	7.52	0.37	2.64	0.83	10.23	2.86	0.05
Guyana	32.33	24.39	0.68		20.54	3.12			0.05
Honduras	5.35	40.64	8.91	0.30	1.67	15.27	11.98	2.51	0.01
India	0.02	27.95	14.81	1.42	1.58	0.86		9.18	0.10
Indonesia	0.44	104.68	96.87	0.16	4.92	0.73		1.90	0.10
Iraq	2.25	71.25	62.53	0.13				8.34	0.24
Kosovo (2)	85.64	156.34	126.91	8.55	8.62	8.96		2.15	1.15
Marshall Islands	1.69	0.09	0.09						
Micronesia, Fed. Sts.	0.47	0.05	0.00	0.05					
Republic of Moldova	25.61	91.49	34.00	18.74	5.90	0.62	30.00		2.23
Mongolia	1.11	3.06	0.85		1.83	0.03		0.35	0.01
Morocco	3.54	113.14	63.52	23.06	9.83	13.28	3.45		
Nicaragua	3.92	22.70	11.01	1.54	4.67	0.93	1.10	3.25	0.21
Nigeria	0.66	103.84	84.31	0.07	0.22	11.26		7.98	
Occupied Palestinian territory	61.17	247.09	184.25	2.21	0.31	3.20	4.23	52.41	0.47
Pakistan	0.85	147.91	17.10	0.73	2.51	16.92	2.60	107.86	0.19
Papua New Guinea	1.77	12.13	10.20	0.04	1.04	0.52		0.28	0.06
Paraguay	2.41	15.58	12.96		1.53	0.07		1.01	0.01
Philippines	0.39	35.93	16.88		1.72	1.38	1.09	14.86	0.01
Sri Lanka	1.73	36.17	13.81	0.11	0.74	0.73		20.71	0.08
Swaziland	12.78	15.16	5.67	3.80	4.30	1.01	0.31	0.00	0.07
Syria	1.36	27.82	7.96	0.01	0.31	0.01		19.53	
Tokelau	-								
Tonga	5.84	0.61				0.51		0.06	0.04
Turkmenistan	0.81	4.08	3.18	0.06	0.16			0.46	0.22
Ukraine	1.91	86.77	27.11	51.32	3.94	3.93			0.47
Uzbekistan	0.10	2.77	2.21	0.00		0.00		0.46	0.09
Viet Nam	0.30	26.44	16.92	0.40	3.68	0.38	0.45	4.19	0.43
<b>Total Lower Middle Income Count</b>	<b>0.65</b>	<b>2 056.41</b>	<b>1 055.73</b>	<b>273.30</b>	<b>122.50</b>	<b>125.20</b>	<b>151.89</b>	<b>321.07</b>	<b>6.72</b>

<b>Upper Middle Income Countries (UMIC)</b>									
Albania	21.52	68.95	38.04	13.94	11.04	4.60		0.04	1.29
Algeria	1.32	46.98	16.01	2.99	9.33	5.16		13.01	0.49
Anguilla	235.97	3.62	0.02				3.60		
Antigua & Barbuda	3.06	0.27	0.17	0.10					
Argentina	0.23	9.45	7.89		1.14	0.18	0.06		0.17
Azerbaijan	2.22	20.37	8.13	7.47	3.73	0.73			0.31
Belarus	1.63	15.62	9.26	2.87	0.43	2.62			0.44
Bosnia and Herzegovina	17.87	67.20	42.22	9.92	9.58	4.74		0.10	0.63
Botswana	2.03	4.08	2.17			1.69			0.22
Brazil	0.09	16.92	5.31	0.79	6.76	3.77		0.27	0.03
Chile	0.09	1.51	0.97		0.18	0.32		0.04	0.01
China	0.02	31.84	13.45	2.41	5.99	8.68		1.00	0.30
Colombia	0.93	42.92	17.21	0.28	8.62	2.04		14.72	0.05
Cook Islands	27.81	0.56						0.48	0.08
Costa Rica	0.65	3.02	0.59		2.22			0.22	
Cuba	0.52	5.84	1.53		1.40	1.10	1.16		0.65
Dominica	57.88	3.92	3.52	0.18	0.12	0.04		0.06	0.00
Dominican Republic	5.58	55.42	13.58	1.24	1.16	0.02	36.73	1.86	0.83
Ecuador	2.25	32.58	17.76	0.40	10.71	0.72		2.86	0.14
fYRoM	19.88	40.96	10.59	0.97	3.07	26.25			0.08
Gabon	3.41	5.13	1.10	0.53	3.41	0.04			0.05
Grenada	9.43	0.98	0.97		0.01				
Iran	0.04	2.81	0.99						1.82
Jamaica	5.25	14.40	7.99	0.62	1.96	3.16	0.07	0.24	0.34
Jordan	17.18	106.27	50.58	11.77	10.16	2.82	20.29	10.49	0.16
Kazakhstan	0.58	9.31	5.89	0.01	2.61	0.07		0.72	
Lebanon	11.84	50.07	21.34	1.54	6.62	0.49		20.07	0.02
Libya	3.58	22.73	16.83					5.89	
Malaysia	0.02	0.58	0.10	0.44	0.02	0.01			0.02
Maldives	11.60	3.66	0.41			3.25			
Mauritius	44.15	57.36	0.27		0.75		55.88		0.47
Mexico	0.14	15.65	5.07	0.36	3.39	6.83			
Montenegro	43.85	27.69	18.11	4.72	3.28	1.42		0.02	0.14
Montserrat	864.51	5.13					5.13		
Namibia	9.17	20.95	18.35	0.17		0.59		0.58	1.26
Nauru	105.46	1.08	0.02	0.00				1.06	
Niue	327.73	0.48		0.48					
Palau	0.08	0.00	0.00						
Panama	0.34	1.18	0.61			0.25		0.32	
Peru	0.99	28.85	23.81	0.34	1.03	0.63	0.62	2.37	0.05
Serbia	23.11	185.57	111.28	35.61	10.03	23.01		5.42	0.22
Seychelles	53.32	4.61	0.88			0.28	3.44		0.02
South Africa	2.90	145.26	86.84	0.25	10.35	3.85	42.00		1.97
St. Helena	-								
St. Kitts-Nevis	297.99	15.62	0.38	0.05			15.18		
St. Lucia	98.45	17.16	11.53		2.31	0.02	3.11	0.18	
St. Vincent & Grenadines	60.94	6.66	5.74	0.62	0.21			0.09	
Suriname	8.83	4.63		3.93	0.18	0.24		0.05	0.24
Thailand	0.24	16.26	5.09	0.07	0.99	1.96		7.79	0.36
Tunisia	14.05	147.28	19.37	0.93	7.03	56.66	63.24		0.04
Turkey	5.76	418.88	117.18	94.10	1.72	203.20		2.65	0.03
Uruguay	1.00	3.36	2.55	0.18	0.26	0.37			
Venezuela	0.22	6.47	5.04		0.23	0.39		0.67	0.14
Wallis & Futuna	366.06	4.97	0.18	4.69					0.09
<b>Total Upper Middle Income Countr</b>	<b>0.81</b>	<b>1 823.10</b>	<b>746.94</b>	<b>205.00</b>	<b>142.01</b>	<b>372.22</b>	<b>250.51</b>	<b>96.20</b>	<b>10.21</b>
<b>Total LDC + OLIC + LMIC + UMIC</b>	<b>1.27</b>	<b>7 104.39</b>	<b>2 782.98</b>	<b>986.17</b>	<b>450.08</b>	<b>635.91</b>	<b>1 006.85</b>	<b>12.48</b>	<b>1 200.05</b>
<b>29.87</b>									
<b>By region</b>									
Europe	9.48	1 429.77	646.46	277.76	70.36	341.68	31.15	13.91	48.44
Africa	4.31	4 400.83	1 294.39	840.98	309.02	312.89	818.76	14.73	689.21
America	1.25	730.62	286.27	65.73	105.13	84.80	101.21	82.79	4.70
Asia	0.46	1 776.28	987.80	69.35	107.79	102.45	69.96	434.17	4.76
Oceania	7.63	69.64	26.75	12.04	16.65	7.29	1.86	4.67	0.38
Bilateral unallocated	0.16	889.33	183.75	17.32	74.88	51.66	9.26	55.15	497.31
<b>Total Region</b>	<b>1.66</b>	<b>9 296.47</b>	<b>3 425.42</b>	<b>1 283.18</b>	<b>683.84</b>	<b>900.77</b>	<b>1 032.21</b>	<b>14.73</b>	<b>1 279.89</b>
<b>676.43</b>									

Breakdown by country/region of external aid financed on the general Commission budget and the European Development Fund (EDF) in 2012.

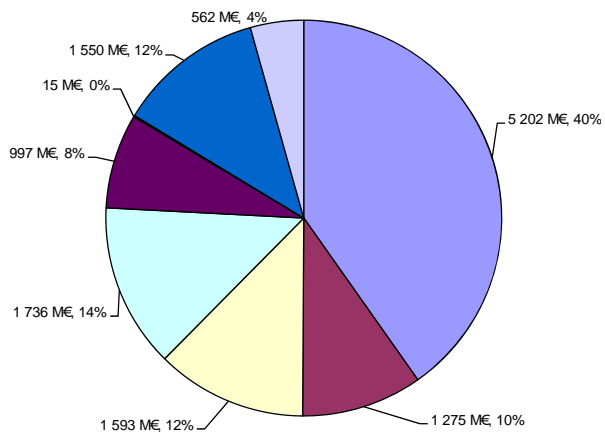
Bilateral ODA flows.

(1) Source : World Population Prospects - United Nations Population Division - 2010 revision

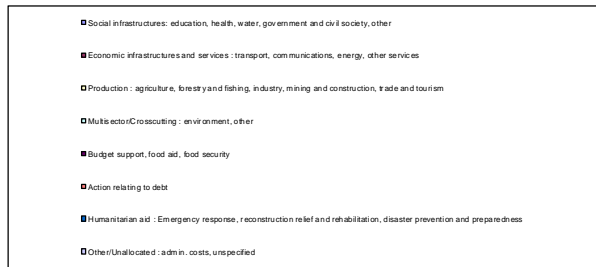
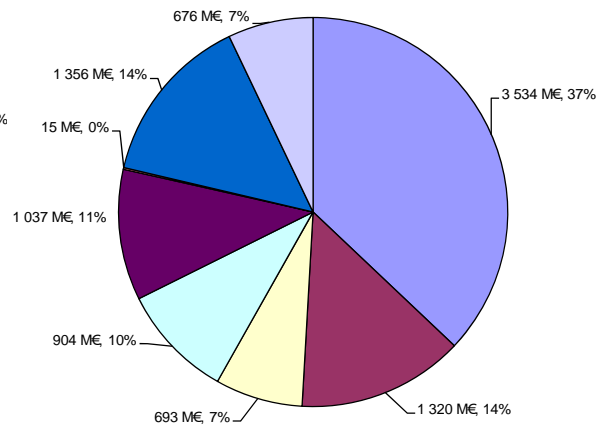
(2) UNSCR 1244/99

**Table 5.13 Sectoral breakdown of ODA managed by the European Commission in 2012**

**Commitments in €Million**



**Disbursements in €Million**





**Table 5.14 Detailed description of ODA by sector in 2012 - Commitments**  
Commitments in € Million

Sector of Destination	Total	Managed by EuropeAid	Managed by other DGs
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>	5 201.96	3 994.57	1 207.40
<b>Education</b>	909.64	780.81	128.83
Education, level unspecified	299.67	295.57	4.10
Basic education	179.10	156.10	23.00
Secondary education	124.49	98.55	25.94
Post-secondary education	306.37	230.59	75.78
<b>Health</b>	465.00	457.50	7.50
Health, general	68.38	65.38	3.00
Basic health	396.62	392.12	4.50
<b>Population polices/programs and reproductive health</b>	227.64	227.63	0.00
<b>Water supply and sanitation</b>	546.70	524.59	22.12
<b>Government and civil society</b>	2 489.72	1 594.72	895.00
<b>Other Social Infrastructure and services</b>	563.27	409.32	153.95
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>	1 274.95	1 079.26	195.70
<b>Transport and storage</b>	529.63	357.04	172.59
<b>Communications</b>	2.00	2.00	
<b>Energy generation and supply</b>	670.72	647.62	23.10
<b>Banking and financial services</b>	32.00	32.00	
<b>Business and other services</b>	40.60	40.60	
<b>PRODUCTION SECTORS</b>	1 592.75	1 293.85	298.90
<b>Agriculture, Forestry and Fishing</b>	1 208.58	925.40	283.18
Agriculture	1 104.10	820.92	283.18
Forestry	89.47	89.47	
Fishing	15.00	15.00	0.00
<b>Industry, Mining and Construction</b>	218.38	210.86	7.52
Industry	218.38	210.86	7.52
Mineral resources and mining			
Construction			
<b>Trade and Tourism</b>	90.41	82.21	8.20
Trade policy and regulation	165.79	157.59	8.20
Tourism			
<b>MULTISECTOR / CROSSCUTTING</b>	1 735.57	1 223.96	511.61
<b>General environmental protection</b>	562.86	357.20	205.66
<b>Other multisector</b>	1 172.72	866.76	305.96
<b>COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE</b>	997.30	988.80	8.50
<b>General budget support</b>	799.86	799.86	
<b>Development food aid/food security assistance</b>	197.44	188.94	8.50
<b>Other commodity assistance</b>			
<b>ACTION RELATING TO DEBT</b>	15.41	15.41	
<b>Action relating to debt</b>	15.41	15.41	
<b>HUMANITARIAN AID</b>	1 549.83	191.11	1 358.72
<b>Emergency Response</b>	1 360.21	155.69	1 204.51
<b>Reconstruction relief and rehabilitation</b>	89.56	7.02	82.54
<b>Disaster prevention and preparedness</b>	100.07	28.40	71.67
<b>OTHER / UNALLOCATED / UNSPECIFIED</b>	562.50	397.23	165.27
<b>Administrative costs of donors</b>	483.62	352.08	131.54
<b>Refugees in donor countries</b>			
<b>Unallocated/unspecified</b>	78.88	45.15	33.73
<b>GRAND TOTAL</b>	12 930.28	9 184.18	3 746.10

Breakdown by sector of Official Development Assistance (ODA) financed on the general Commission budget and the European Development Fund (EDF) in 2012.  
Bilateral and multilateral ODA flows.

**Table 5.15 Detailed description of ODA by sector in 2012. - Disbursements**  
Disbursements in € Million

Sector of Destination	Total	Managed by EuropeAid	Managed by other DGs
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>	<b>3 533.69</b>	<b>2 635.95</b>	<b>897.74</b>
<b>Education</b>	<b>678.98</b>	<b>550.94</b>	<b>128.04</b>
Education, level unspecified	212.41	196.83	15.57
Basic education	110.38	106.31	4.07
Secondary education	81.07	58.79	22.29
Post-secondary education	275.12	189.02	86.10
<b>Health</b>	<b>428.28</b>	<b>420.23</b>	<b>8.05</b>
Health, general	91.68	85.94	5.74
Basic health	336.61	334.30	2.31
<b>Population polices/programs and reproductive health</b>	<b>94.14</b>	<b>81.91</b>	<b>12.23</b>
<b>Water supply and sanitation</b>	<b>401.00</b>	<b>348.03</b>	<b>52.96</b>
<b>Government and civil society</b>	<b>1 477.79</b>	<b>860.88</b>	<b>616.90</b>
<b>Other Social Infrastructure and services</b>	<b>453.50</b>	<b>373.94</b>	<b>79.56</b>
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>	<b>1 320.48</b>	<b>1 125.65</b>	<b>194.83</b>
<b>Transport and storage</b>	<b>781.41</b>	<b>648.93</b>	<b>132.49</b>
<b>Communications</b>	<b>31.42</b>	<b>26.32</b>	<b>5.10</b>
<b>Energy generation and supply</b>	<b>419.54</b>	<b>383.78</b>	<b>35.77</b>
<b>Banking and financial services</b>	<b>25.47</b>	<b>21.86</b>	<b>3.62</b>
<b>Business and other services</b>	<b>62.63</b>	<b>44.77</b>	<b>17.86</b>
<b>PRODUCTION SECTORS</b>	<b>692.69</b>	<b>637.29</b>	<b>55.41</b>
<b>Agriculture, Forestry and Fishing</b>	<b>381.93</b>	<b>350.21</b>	<b>31.72</b>
Agriculture	306.73	275.43	31.30
Forestry	57.30	57.30	
Fishing	17.90	17.47	0.42
<b>Industry, Mining and Construction</b>	<b>162.97</b>	<b>153.07</b>	<b>9.90</b>
Industry	149.51	140.55	8.97
Mineral resources and mining	10.50	10.27	0.23
Construction	2.96	2.25	0.70
<b>Trade and Tourism</b>	<b>92.96</b>	<b>79.17</b>	<b>13.79</b>
Trade policy and regulation	136.60	124.83	11.77
Tourism	11.19	9.18	2.02
<b>MULTISECTOR / CROSSCUTTING</b>	<b>903.61</b>	<b>596.93</b>	<b>306.68</b>
<b>General environmental protection</b>	<b>314.71</b>	<b>218.55</b>	<b>96.16</b>
<b>Other multisector</b>	<b>588.90</b>	<b>378.38</b>	<b>210.52</b>
<b>COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE</b>	<b>1 036.82</b>	<b>1 001.55</b>	<b>35.27</b>
<b>General budget support</b>	<b>808.25</b>	<b>778.25</b>	<b>30.00</b>
<b>Development food aid/food security assistance</b>	<b>228.57</b>	<b>223.30</b>	<b>5.27</b>
<b>Other commodity assistance</b>			
<b>ACTION RELATING TO DEBT</b>	<b>14.73</b>	<b>14.73</b>	
Action relating to debt	14.73	14.73	
<b>HUMANITARIAN AID</b>	<b>1 356.32</b>	<b>241.38</b>	<b>1 114.94</b>
<b>Emergency Response</b>	<b>1 189.14</b>	<b>143.05</b>	<b>1 046.09</b>
<b>Reconstruction relief and rehabilitation</b>	<b>88.83</b>	<b>58.74</b>	<b>30.10</b>
<b>Disaster prevention and preparedness</b>	<b>78.34</b>	<b>39.59</b>	<b>38.75</b>
<b>OTHER / UNALLOCATED / UNSPECIFIED</b>	<b>676.43</b>	<b>540.85</b>	<b>135.58</b>
<b>Administrative costs of donors</b>	<b>572.59</b>	<b>445.51</b>	<b>127.08</b>
<b>Refugees in donor countries</b>			
<b>Unallocated/unspecified</b>	<b>103.84</b>	<b>95.35</b>	<b>8.50</b>
<b>GRAND TOTAL</b>	<b>9 534.78</b>	<b>6 794.33</b>	<b>2 740.45</b>

Breakdown by sector of Official Development Assistance (ODA) financed on the general Commission budget and the European Development Fund (EDF) in 2012.  
Bilateral and multilateral ODA flows.

**Table 5.16 EuropeAid in 2012: A closer look. Sectoral breakdown per region**

Commitments in €million

Sector of Destination	ENPI East	ENPI South	ENPI	Asia	Latin America	ACP	Multi Region	Total
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>	450	883		572	141	1 397	551	3 995
<b>Education</b>	93	215		262	58	154		781
Education, level unspecified	6	18		139		132		296
Basic education	2	50		72	32			156
Secondary education	11	82				5		99
Post-secondary education	73	64		51	26	17		231
<b>Health</b>	6	22		163		188	79	457
Health, general		2				44	19	65
Basic health	6	20		163		143	60	392
<b>Population polices/programs and reproductive health</b>		2				207	19	228
<b>Water supply and sanitation</b>		21			22	482		525
<b>Government and civil society</b>	347	380		117	28	296	427	1 595
<b>Other Social Infrastructure and services</b>	5	243		31	34	71	26	409
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>	111	52		11	37	816	53	1 079
<b>Transport and storage</b>	3				0	354		357
<b>Communications</b>						2		2
<b>Energy generation and supply</b>	108	30		11	5	442	53	648
<b>Banking and financial services</b>					32			32
<b>Business and other services</b>		22				19		41
<b>PRODUCTION SECTORS</b>	88	119		163	41	843	40	1 294
<b>Agriculture, Forestry and Fishing</b>	49	62		89	8	678	39	925
Agriculture	40	10		80		658	33	821
Forestry	9	37		9	8	21	6	89
Fishing		15						15
<b>Industry, Mining and Construction</b>	14	57		59	0	82		211
Industry	14	57		59	0	82		211
Mineral resources and mining								
Construction								
<b>Trade and Tourism</b>	25			16	33	83	0	158
Trade policy and regulation	25			16	33	83	0	158
Tourism								
<b>MULTISECTOR / CROSSCUTTING</b>	126	234	72	180	156	319	138	1 224
<b>General environmental protection</b>	33	41		14	82	74	113	357
<b>Other multisector</b>	93	193	72	166	74	245	24	867
<b>COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE</b>		108				881		989
<b>General budget support</b>		108				692		800
<b>Development food aid/food security assistance</b>						189		189
<b>Other commodity assistance</b>								
<b>ACTION RELATING TO DEBT</b>						15		15
<b>Action relating to debt</b>						15		15
<b>HUMANITARIAN AID</b>		81		11		99		191
<b>Emergency Response</b>		76		5		75		156
<b>Reconstruction relief and rehabilitation</b>				6		1		7
<b>Disaster prevention and preparedness</b>		5				23		28
<b>OTHER / UNALLOCATED / UNSPECIFIED</b>	34					5	359	397
<b>Administrative costs of donors</b>						5	347	352
<b>Refugees in donor countries</b>								
<b>Unallocated/unspecified</b>	34						12	45
<b>GRAND TOTAL</b>	808	1 477	72	937	375	4 376	1 140	9 184

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.

**ENPI East** : Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine. (Russia excluded)

**ENPI 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 2012: A closer look. Sectoral breakdown per region**

Disbursements in € million

Sector of Destination	ENPI East	ENPI South	ENPI	Asia	Latin America	ACP	Multi Region	Total
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>	224	442	9	471	212	1 156	123	2 636
<b>Education</b>	56	92	0	197	63	140	3	551
Education, level unspecified	5	26	0	99	15	53	0	197
Basic education	1	13		35	6	50	0	106
Secondary education	5	13		19	8	13	2	59
Post-secondary education	46	40		44	34	24		189
<b>Health</b>	7	18		79	23	233	60	420
Health, general	0	15		28	2	33	9	86
Basic health	7	3		51	22	200	51	334
<b>Population polices/programs and reproductive health</b>	5	3		5	3	46	20	82
<b>Water supply and sanitation</b>	22	67		16	12	228	3	348
<b>Government and civil society</b>	123	103	9	136	73	387	30	861
<b>Other Social Infrastructure and services</b>	11	159	0	36	37	123	8	374
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>	147	101	0	25	28	816	8	1 126
<b>Transport and storage</b>	18	58	0	6	14	553		649
<b>Communications</b>	12	0		3	7	4		26
<b>Energy generation and supply</b>	114	32	0	7	5	218	8	384
<b>Banking and financial services</b>	1	3		9	0	8	0	22
<b>Business and other services</b>	2	7		0	2	34		45
<b>PRODUCTION SECTORS</b>	27	78	0	78	58	361	35	637
<b>Agriculture, Forestry and Fishing</b>	7	15		35	23	235	34	350
Agriculture	7	14		31	15	195	14	275
Forestry	0	0		3	8	25	20	57
Fishing		1		1	0	16		17
<b>Industry, Mining and Construction</b>	11	57		15	25	44	1	153
Industry	11	57		14	25	34	0	141
Mineral resources and mining	0			0	1	9	0	10
Construction	0	0		1		1		2
<b>Trade and Tourism</b>	9	6	0	27	10	82	1	134
Trade policy and regulation	8	5	0	26	6	79	0	125
Tourism	0	0		1	4	3	0	9
<b>MULTISECTOR / CROSSCUTTING</b>	44	93	15	75	58	275	36	597
<b>General environmental protection</b>	29	10	0	32	23	92	33	219
<b>Other multisector</b>	15	83	15	43	36	183	3	378
<b>COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE</b>	1	91	0	45	27	827	10	1 002
<b>General budget support</b>		87		1	7	684		778
<b>Development food aid/food security assistance</b>	1	5	0	44	20	143	10	223
<b>Other commodity assistance</b>								
<b>ACTION RELATING TO DEBT</b>						15		15
<b>Action relating to debt</b>						15		15
<b>HUMANITARIAN AID</b>	12	86		34	2	107	0	241
<b>Emergency Response</b>	0	77		5		60		143
<b>Reconstruction relief and rehabilitation</b>	12	7		22	1	17		59
<b>Disaster prevention and preparedness</b>		2		6	1	30	0	40
<b>OTHER / UNALLOCATED / UNSPECIFIED</b>	38	8	7	4	2	124	359	541
<b>Administrative costs of donors</b>	2	0		0	0	97	346	446
<b>Refugees in donor countries</b>								
<b>Unallocated/unspecified</b>	36	8	7	3	2	27	13	95
<b>GRAND TOTAL</b>	492	900	32	731	387	3 681	572	6 794

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.

**ENPI East** : Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine. (Russia excluded)

**ENPI 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 2012: A closer look. Sectoral breakdown per instrument

Commitments in €million													
Sector of Destination	ENPI	EDF	DCI - Geo (2)	DCI - Thema (3)	Food Facility (4)	EIDHR	IFS	NSI	CFSP (5)	IPA	Echo	Other	Total
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>	1 321	1 371	718	435		166	179		319	608		84	5 201.96
<b>Education</b>	307	149	324							48		81	909.64
Education, level unspecified	24	132	139							4			299.67
Basic education	52		104							23			179.10
Secondary education	93	5								6		20	124.49
Post-secondary education	138	12	81							15		61	306.37
<b>Health</b>	28	179	163	87						8			465.00
Health, general	2	44		19						3			68.38
Basic health	26	135	163	69						5			396.62
<b>Population polices/programs and reproductive health</b>		194		31						0		2	227.64
<b>Water supply and sanitation</b>	21	482	22							22			546.70
<b>Government and civil society</b>	727	296	145	280		166	179		319	377		0	2 489.72
<b>Other Social Infrastructure and services</b>	238	71	65	36						154			563.27
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>	115	816	32	40			4	76		192			1 274.95
<b>Transport and storage</b>	3	354	0				4			168			529.63
<b>Communications</b>		2											2.00
<b>Energy generation and supply</b>	90	442		40				76		23			670.72
<b>Banking and financial services</b>			32										32.00
<b>Business and other services</b>	22	19											40.60
<b>PRODUCTION SECTORS</b>	207	424	205	454						297		6	1 592.75
<b>Agriculture, Forestry and Fishing</b>	111	277	97	437						283		3	1 208.58
Agriculture	50	272	80	416						283		3	1 104.10
Forestry	46	5	17	21								1	89.47
Fishing	15									0			15.00
<b>Industry, Mining and Construction</b>	71	65	59	17						8			218.38
Industry	71	65	59	17						8			218.38
Mineral resources and mining													-
Construction													-
<b>Trade and Tourism</b>	25	82	50							6		2	165.79
Trade policy and regulation	25	82	50							6		2	165.79
Tourism													-
<b>MULTISECTOR / CROSSCUTTING</b>	428	269	300	204	0					509		26	1 735.57
<b>General environmental protection</b>	74	43	92	148						203		2	562.86
<b>Other multisector</b>	354	226	208	56	0					306		24	1 172.72
<b>COMMODITY AID AND GENERAL PROGRAMME ASSISTAN</b>	108	726	124	39								1	997.30
<b>General budget support</b>	108	537	124	31									799.86
<b>Development food aid/food security assistance</b>		189		8								1	197.44
<b>Other commodity assistance</b>													-
<b>ACTION RELATING TO DEBT</b>		15											15.41
<b>Action relating to debt</b>		15											15.41
<b>HUMANITARIAN AID</b>	81	99	11				34			85	1 240		1 549.83
<b>Emergency Response</b>	76	75	5								1 205		1 360.21
<b>Reconstruction relief and rehabilitation</b>		1	6							83			89.56
<b>Disaster prevention and preparedness</b>	5	23					34			2	36		100.07
<b>OTHER / UNALLOCATED / UNSPECIFIED</b>	52	5	58	76		10	27	1	4	50	9	269	562.50
<b>Administrative costs of donors (1)</b>	52	5	58	43		10	7	1		48	9	251	483.62
<b>Refugees in donor countries</b>													-
<b>Unallocated/unspecified</b>				34			20		4	3		18	78.88
<b>GRAND TOTAL</b>	2 312	3 726	1 449	1 248	0	175	244	77	324	1 741	1 249	385	12 930.28

(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

(3) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes

(4) Food Facility : facility for rapid response to soaring food prices in developing countries, pilot project — Finance for agricultural production

(5) CFSP is financed on the general Commission budget managed by DG FPI

Table 5.19 External aid in 2012: A closer look. Sectoral breakdown per instrument

Disbursements in € Million

Sector of Destination	ENPI	EDF	DCI - Geo (2)	DCI - Thema (3)	Food Facility (4)	EIDHR	IFS	NSI	CFSP (5)	IPA	Echo	Other	Total
<b>SOCIAL INFRASTRUCTURE AND SERVICES</b>	603	918	632	349	1	128	132		255	428		89	3 534
<b>Education</b>	147	87	285	27		0	4			55		73	679
Education, level unspecified	30	47	112	4						11		4	212
Basic education	14	12	70	10		0				4		0	110
Secondary education	17	7	22	13		0				3		20	81
Post-secondary education	86	21	81	0						37		49	275
<b>Health</b>	24	173	108	114	1	0	1			7		1	428
Health, general	15	27	26	17						6		1	92
Basic health	9	146	82	97	1	0	1			1			337
<b>Population polices/programs and reproductive health</b>	1	29	1	51		0				12			94
<b>Water supply and sanitation</b>	88	217	21	17			4			49		5	401
<b>Government and civil society</b>	181	308	146	104		127	122		255	226		9	1 478
<b>Other Social Infrastructure and services</b>	163	105	70	35		0	1			78		0	453
<b>ECONOMIC INFRASTRUCTURE AND SERVICES</b>	187	807	49	20		0		62		195		1	1 320
<b>Transport and storage</b>	76	546	20	6						132		0	781
<b>Communications</b>	12	3	10	0		0				5		0	31
<b>Energy generation and supply</b>	86	216	8	12				62		36		0	420
<b>Banking and financial services</b>	4	8	9	0				0		4			25
<b>Business and other services</b>	9	33	2	1						18			63
<b>PRODUCTION SECTORS</b>	102	219	123	177	4		0			52		15	693
<b>Agriculture, Forestry and Fishing</b>	20	110	39	169	4		0			32		8	382
Agriculture	19	84	33	128	4		0			31		8	307
Forestry	0	14	5	37								1	57
Fishing	1	12	1	4						0			18
<b>Industry, Mining and Construction</b>	68	30	48	6			0			10		1	163
Industry	67	20	47	6						9		1	150
Mineral resources and mining	0	9	1	0			0			0			10
Construction	1	1	1							1		0	3
<b>Trade and Tourism</b>	14	79	36	2						11		5	148
Trade policy and regulation	13	78	32	1						9		3	137
Tourism	1	1	4	1						2		2	11
<b>MULTISECTOR / CROSSCUTTING</b>	148	224	104	117	0	0	1			304		6	904
<b>General environmental protection</b>	36	62	34	87						94		2	315
<b>Other multisector</b>	112	163	70	30	0	0	1			210		3	589
<b>COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE</b>	87	671	66	152	26		5			0		30	1 037
<b>General budget support</b>	87	582	49	60	0							30	808
<b>Development food aid/food security assistance</b>		89	16	91	26		5			0		0	229
<b>Other commodity assistance</b>													
<b>ACTION RELATING TO DEBT</b>													15
Action relating to debt													15
<b>HUMANITARIAN AID</b>	98	104	33	6			32			11	1 072		1 356
<b>Emergency Response</b>	78	57	5	3			10			2	1 035		1 189
<b>Reconstruction relief and rehabilitation</b>	19	17	23	0			22			8			89
<b>Disaster prevention and preparedness</b>	2	30	5	3			0			1	37		78
<b>OTHER / UNALLOCATED / UNSPECIFIED</b>	68	115	63	79	0	10	6	1	0	50	9	276	676
Administrative costs of donors (1)	48	97	58	44	0	10	6	1		44	9	255	573
Refugees in donor countries													
Unallocated/unspecified	20	18	4	34		0	0	0	0	6		21	104
<b>GRAND TOTAL</b>	1 294	3 073	1 070	899	31	139	176	63	255	1 040	1 080	416	9 535

(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.

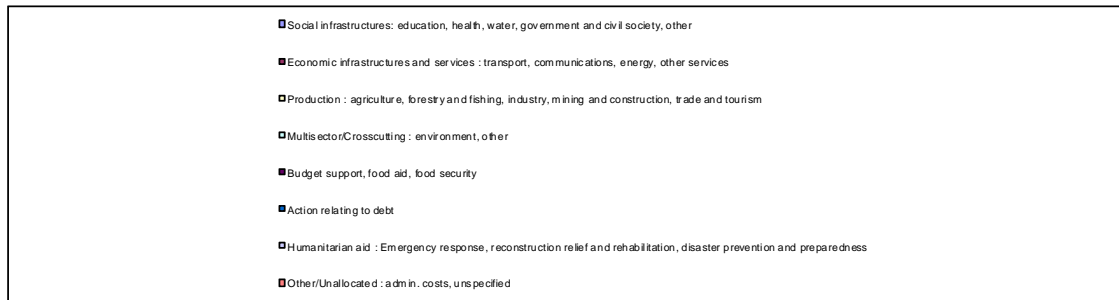
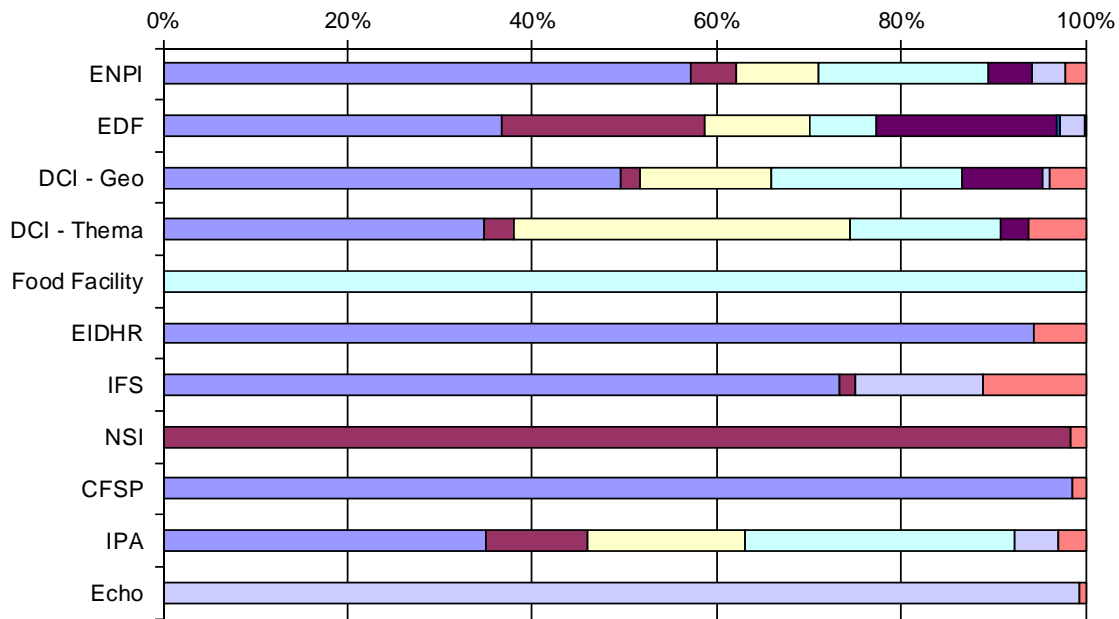
(2) DCI - Geo : Asia, Latin America, South Africa

(3) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human &amp; social development, ACP sugar programmes

(4) Food Facility : facility for rapid response to soaring food prices in developing countries, pilot project — Finance for agricultural production

(5) CFSP is financed on the general Commission budget managed by DG FPI

**Table 5.20 External aid in 2012: A closer look. Sectoral breakdown per instrument**



Commitments %

**Table 5.21 Budget Support 2012 : breakdown by instrument**

Commitments in €Million

	General Budget Support	Sector Budget Support	Total Budget Support	Total ODA	Budget Support / Total ODA
European Neighbourhood Partnership Instrument (ENPI)	108	623	731	2 312	32%
Development Cooperation Instrument - Geographic (1)	-	402	402	1 449	28%
Development Cooperation Instrument -Thematic (2)	155	40	196	1 248	16%
European Development Fund (EDF)	537	443	980	3 726	26%
<b>Grand Total</b>	<b>800</b>	<b>1 508</b>	<b>2 308</b>	<b>8 734</b>	<b>26%</b>

(1) DCI - Geographic : Asia, Latin America, South Africa

(2) DCI - Thematic : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes

**Table 5.22 Heading 4 - EU as global player : Breakdown by country and instrument**

Commitments in €million

Country/Region	ENPI	DCI - Geo (1)	DCI - Thema (2)	Food Facility (3)	EIDHR	IFS	NSI	CFSP	IPA	Echo	Other	Total BUDG	EDF	Grand Total
<b>Part I : Developing Countries &amp; Territories (ODA)</b>														
Europe, Total	478.80		33.54			10.00	12.50	120.70	1 693.21		5.00	2 353.76		2 353.76
Albania									86.67			86.67		86.67
Belarus	26.47					4.00						30.47		30.47
Bosnia and Herzegovina								5.25	95.33			100.58		100.58
Kosovo (5)								113.45	69.38			182.84		182.84
fYRoM									99.32			99.32		99.32
Republic of Moldova (6)	122.00											122.00		122.00
Montenegro									31.81			31.81		31.81
Serbia									184.54			184.54		184.54
Turkey	0.82								856.62			857.44		857.44
Ukraine	154.53						12.50					167.03		167.03
States of ex-Yugoslavia unspecif.														
Europe, Regional	174.98		33.54			6.00		2.00	269.54		5.00	491.07		491.07
Africa, Total	758.45	130.45	365.42	0.01	17.75	49.52		69.03		139.84	2.00	1 532.48	3 274.52	4 807.00
North Of Sahara, Total	758.45		2.00		8.07	13.40		1.36		10.00		793.29		793.29
Algeria	84.00				3.77					10.00		97.77		97.77
Egypt	250.00				0.12							250.12		250.12
Libya	25.00				4.18	13.40		0.42		0.00		42.99		42.99
Morocco	207.00											207.00		207.00
Tunisia	132.52				0.00							132.52		132.52
North Of Sahara, Regional	59.94		2.00					0.95				62.88		62.88
South Of Sahara, Total		130.45	315.93	0.01	9.67	36.12		66.99		129.84	2.00	691.02	3 264.52	3 955.54
Angola					0.16							0.16	34.00	34.16
Benin													56.00	56.00
Botswana													26.68	26.68
Burkina Faso			8.00			3.00				0.00		11.00	117.48	128.48
Burundi			8.00							0.00		8.00	62.33	70.33
Cameroon			44.04									44.04	28.00	72.04
Cape Verde													32.30	32.30
Central African Rep.			4.00			4.00				8.00		16.00	22.00	38.00
Chad						7.50				30.00		37.50	114.40	151.90
Comoros										0.00		0.00	19.59	19.59
Congo, Dem. Rep.								17.78		59.51		77.29	50.00	127.29
Congo, Rep.			6.62							1.25		7.87	44.50	52.37
Cote d'Ivoire			45.33							20.00		65.33	149.56	214.89
Djibouti					0.12					0.01		0.13	47.50	47.63
Equatorial Guinea														
Eritrea														
Ethiopia			0.01							0.00		0.01	35.00	35.01
Gabon													6.01	6.01
Gambia													9.50	9.50
Ghana			7.24		0.14							7.38	97.00	104.38
Guinea			5.00									5.00	20.41	25.41
Guinea-Bissau					0.15							0.15		0.15
Kenya			7.76		4.68					0.00		12.44	52.61	65.05
Lesotho			4.00									4.00	1.50	5.50
Liberia			5.00	0.01						4.00		9.01	60.13	69.14
Madagascar			4.69							1.00		5.69	154.41	160.10
Malawi					0.11					0.00		0.11	210.00	210.11
Mali										0.00		0.00	33.00	33.00
Mauritania													67.14	67.14
Mauritius			30.77									30.77	8.10	38.87
Mozambique										0.00		0.00	121.98	121.98
Namibia													32.00	32.00
Niger			3.50			10.92		8.70		0.00		23.12	83.90	107.02
Nigeria						4.50				1.03		5.53	89.00	94.53
Rwanda													26.00	26.00
St.Helena														
Sao Tome & Principe													2.67	2.67
Senegal						0.20						0.20	8.00	8.20
Seychelles													3.00	3.00
Sierra Leone						4.11						4.11	71.82	75.93
Somalia										0.00		0.00	162.00	162.00
South Africa		130.45										130.45		130.45
Sudan										0.02		0.02	10.00	10.02
South Sudan								12.50				12.50	5.00	17.50
Swaziland													7.00	7.00
Tanzania			6.57							0.00		6.57	126.51	133.08
Togo													84.30	84.30
Uganda										0.00		0.00	103.50	103.50
Zambia													78.10	78.10
Zimbabwe			8.36			6.20				5.00		19.56	87.20	106.76
South Of Sahara, Regional			117.05					28.01			2.00	147.06	603.40	750.46
Africa, Regional			47.49					0.68				48.17	10.00	58.17



America, Total	370.14	137.48		0.31	23.40	4.50		54.26	590.10	224.85	814.95	
North & Central, Total	140.73	104.83		0.22	12.00	2.50		40.26	300.53	224.85	525.38	
Anguilla										11.70	11.70	
Antigua & Barbuda												
Belize		25.28							25.28	2.50	27.78	
Costa Rica								0.00	0.00		0.00	
Cuba								4.00	4.00		4.00	
Dominica		15.27							15.27	9.03	24.30	
Dominican Republic		16.34						0.00	16.34	61.60	77.94	
El Salvador				0.10				0.00	0.10		0.10	
Grenada										8.00	8.00	
Guatemala	12.00			0.00				2.00	14.00		14.00	
Haiti					12.00			34.25	46.25	47.05	93.30	
Honduras	67.06							0.00	67.06		67.06	
Jamaica		4.73							4.73	0.60	5.33	
Mexico	11.00			0.12		2.50			13.62		13.62	
Montserrat										15.66	15.66	
Nicaragua	40.00							0.00	40.00		40.00	
Panama								0.00	0.00		0.00	
St. Kitts-Nevis		12.93							12.93		12.93	
St. Lucia		10.35							10.35	8.74	19.09	
St. Vincent & Grenadines		9.93							9.93	1.46	11.39	
West Indies, Regional		10.00							10.00	58.51	68.51	
N. & C. America, Regional	10.66								10.66		10.66	
South, Total	123.39	32.66		0.10	11.40	2.00		14.01	183.55		183.55	
Argentina	0.00								0.00		0.00	
Bolivia	40.00				4.00				44.00		44.00	
Brazil	5.59			0.00		2.00			7.59		7.59	
Chile												
Colombia	8.20				7.40			14.01	29.61		29.61	
Ecuador	32.00								32.00		32.00	
Guyana		23.36							23.36		23.36	
Paraguay				0.09					0.09		0.09	
Peru	13.00								13.00		13.00	
Suriname		9.30							9.30		9.30	
Uruguay	11.10								11.10		11.10	
Venezuela												
South America, Regional	13.50								13.50		13.50	
America, Regional	106.02								106.02		106.02	
Asia, Total	580.66	890.71	49.45	5.68	98.01	10.50	123.69	412.94	0.05	2 171.68	30.73	2 202.41
Middle East, Total	404.15	22.90	13.45	2.18	59.31	4.00	38.06	244.76		788.81		788.81
Iran								0.00		0.00		0.00
Iraq					12.00	4.00	27.15	10.00		53.15		53.15
Jordan	120.00			2.08				0.01		122.08		122.08
Lebanon	91.00				15.00			7.01		113.01		113.01
Occupied Palestinian territory	148.70		13.45		4.11		9.61	42.00		217.88		217.88
Syria	12.60				28.20			145.74		186.54		186.54
Yemen		18.00		0.10				40.00		58.10		58.10
Middle East, Regional	31.85	4.90					1.30			38.05		38.05
South & Centr. Asia, Total	176.51	703.38	32.00	0.52	29.70	1.50	85.62	164.48	0.05	1 193.76		1 193.76
Afghanistan		190.00					63.60	30.00		283.61		283.61
Armenia	75.01			0.01						75.02		75.02
Azerbaijan	19.50									19.50		19.50
Bangladesh		51.50	10.25					19.26		81.01		81.01
Bhutan												
Georgia	82.00				8.15		20.90			111.05		111.05
India								7.00		7.00		7.00
Kazakhstan	13.31							0.00		13.31		13.31
Kyrgyz Rep.	33.50					1.50		0.00	0.05	35.05		35.05
Maldives												
Myanmar (Burma)	60.00	21.75			5.90			30.50		118.15		118.15
Nepal	169.10							1.20		170.30		170.30
Pakistan	81.20			0.11	10.00			70.01		161.32		161.32
Sri Lanka	23.00							4.50		27.50		27.50
Tajikistan	8.00							2.00		10.00		10.00
Turkmenistan	0.72									0.72		0.72
Uzbekistan	0.05							0.00		0.05		0.05
Central Asia, Regional	63.00			0.40	1.50		1.12			66.02		66.02
South Asia, Regional					4.15					4.15		4.15
South & Central Asia, Regional	10.00									10.00		10.00
Far East, Total	84.93	4.00		2.98	9.00	5.00		3.70		109.61	30.73	140.34
Cambodia	20.00	0.00								20.00		20.00
China												
Indonesia	10.00									10.00		10.00
Korea, Dem.												
Laos	25.50	0.00								25.50		25.50
Malaysia	4.00					2.00				6.00		6.00
Mongolia	3.93					3.00				6.93		6.93
Philippines	14.00				9.00			3.70		26.70		26.70
Thailand								0.00		0.00		0.00
Timor-Leste		4.00		2.98						6.98	30.73	37.71
Viet Nam												
Far East Asia, Regional	7.50									7.50		7.50
Asia, Regional	79.50									79.50		79.50

Oceania, Total			16.31					0.00		16.31	86.82	103.13		
Cook Islands														
Fiji			10.31							10.31		10.31		
Kiribati											6.33	6.33		
Marshall Islands														
Micronesia, Fed. Sts.														
Nauru														
Niue														
Palau														
Papua New Guinea			6.00					0.00		6.00	12.04	18.04		
Samoa											18.95	18.95		
Solomon Islands								0.00		0.00	5.16	5.16		
Tokelau														
Tonga											7.86	7.86		
Tuvalu											2.38	2.38		
Vanuatu								0.00		0.00	2.50	2.50		
Wallis & Futuna														
Oceania, Regional											31.60	31.60		
Bilateral unallocated	376.53		552.85		141.79	56.50	13.26	10.44		633.14	61.01	1 845.52	108.61	1 954.13
<b>Part I (ODA) Bilateral, Total</b>	<b>2 194.44</b>	<b>1 391.30</b>	<b>1 155.06</b>	<b>0.01</b>	<b>165.53</b>	<b>237.43</b>	<b>40.76</b>	<b>323.87</b>	<b>1 693.21</b>	<b>1 240.18</b>	<b>68.06</b>	<b>8 509.84</b>	<b>3 725.53</b>	<b>12 235.37</b>
Public Private Partnerships														
United Nations			65.02								5.04	70.06		70.06
UNRWA			65.02									65.02		65.02
UNDP														
WFP														
WHO														
FAO											0.14	0.14		0.14
International Monetary Fund (IMF)														
World Bank Group														
World Trade Organisation														
Regional Development Banks								35.30				35.30		35.30
Other Multilateral Institutions			50.00									50.00		50.00
GFTAM			50.00									50.00		50.00
Others														
<b>Part I (ODA) Multilateral Aid, Total</b>	<b>65.02</b>		<b>50.00</b>					<b>35.30</b>			<b>5.04</b>	<b>155.36</b>		<b>155.36</b>
<b>Part I (ODA), Total</b>	<b>2 259.45</b>	<b>1 391.30</b>	<b>1 205.06</b>	<b>0.01</b>	<b>165.53</b>	<b>237.43</b>	<b>76.06</b>	<b>323.87</b>	<b>1 693.21</b>	<b>1 240.18</b>	<b>73.10</b>	<b>8 665.20</b>	<b>3 725.53</b>	<b>12 390.73</b>
<b>Part II: Countries and Territories in Transition (non ODA)</b>														
More Advanced Developing Countries	4.02		45.18					11.82	3.41		42.36	106.79	11.33	118.12
Aruba														
Barbados			13.46									13.46	8.33	21.79
Bahrain														
Bahamas														
Bermuda														
Brunei														
Cayman Islands														
Taiwan														
Falkland Islands														
French Polynesia														
Gibraltar														
Hong Kong, China														
Israel			2.00									2.00		2.00
Korea														
Kuwait														
Macao														
Mayotte												3.00		3.00
Netherlands Antilles														
New Caledonia														
Oman														
Pitcairn Islands														
Qatar														
Saudi Arabia														
Singapore														
Trinidad & Tobago			31.72									31.72		31.72
Turks & Caicos Islands														
United Arab Emirates														
Virgin Islands (UK)														
MADCT Unallocated			2.02					11.82	3.41		42.36	59.61		59.61
CEECs/NIS	23.67								153.76		56.93	234.36		234.36
Bulgaria														
Croatia									141.02			141.02		141.02
Cyprus											28.09	28.09		28.09
Czech Republic														
Estonia														
Greenland											28.44	28.44		28.44
Hungary														
Latvia														
Lithuania									0.04			0.04		0.04
Iceland									12.70			12.70		12.70
Malta														
Poland														
Romania														
Russia			0.01								0.40	0.41		0.41
Slovak Republic														
Slovenia														
Europe Unallocated			23.66									23.66		23.66
CEECs Unallocated														
<b>Part II (non-ODA) Bilateral Aid, Total</b>	<b>27.69</b>		<b>45.18</b>					<b>11.82</b>	<b>157.17</b>		<b>99.28</b>	<b>341.15</b>	<b>11.33</b>	<b>352.48</b>
EBRD														
<b>Part II (non-ODA) Multilateral Aid, Total</b>														
<b>Part II (non-ODA), Total</b>	<b>27.69</b>		<b>45.18</b>					<b>11.82</b>	<b>157.17</b>		<b>99.28</b>	<b>341.15</b>	<b>11.33</b>	<b>352.48</b>
<b>Total Part I &amp; Part II</b>	<b>2 287.15</b>	<b>1 391.30</b>	<b>1 250.24</b>	<b>0.01</b>	<b>165.53</b>	<b>237.43</b>	<b>76.06</b>	<b>335.69</b>	<b>1 850.38</b>	<b>1 240.18</b>	<b>172.39</b>	<b>9 006.35</b>	<b>3 736.86</b>	<b>12 743.21</b>
BA Lines	55.48	61.10	44.09		10.55	7.42	1.28		54.17	9.32	6.15	249.56		249.56
Other Flows	10.25		0.60			49.30			8.79		347.65	416.58	7.71	424.29
<b>Total Flows</b>	<b>2 352.88</b>	<b>1 452.40</b>	<b>1 294.93</b>	<b>0.01</b>	<b>176.08</b>	<b>294.15</b>	<b>77.33</b>	<b>335.69</b>	<b>1 913.34</b>	<b>1 249.50</b>	<b>526.19</b>	<b>9 672.49</b>	<b>3 744.57</b>	<b>13 417.06</b>

Breakdown by country/region and instrument financed on the Heading 4 of the general Commission budget and the European Development Fund (EDF) in 2012.  
Bilateral and Multilateral ODA / non-ODA flows.

- (1) DCI - Geo : Asia, Latin America, South Africa
- (2) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes
- (3) Food Facility : Facility for rapid response to soaring food prices in developing countries, Pilot project — Finance for agricultural production
- (4) CFSP is financed on the General Commission Budget managed by DG External Relations
- (5) UNSCR 1244/99
- (6) henceforth Moldova

**Table 5.23 Heading 4 - EU as global player : Breakdown by country and instrument**

Disbursements in €Million

Country/Region	ENPI	DCI - Geo	DCI - Thema (2)	Food Facility (3)	EIDHR	IFS	NSI	CFSP	IPA	Echo	Other	Total BUDC	EDF	Grand Total
<b>Part I : Developing Countries &amp; Territories (ODA)</b>														
Europe, Total	221.16	0.01	45.78		18.95	2.86	15.95	91.59	995.07	2.65	35.67	1 429.69	0.08	1 429.77
Albania					0.76				68.18			68.95		68.95
Belarus	9.50		1.52		2.71	1.19	0.70					15.62		15.62
Bosnia and Herzegovina					1.67	0.10		6.46	58.97			67.20		67.20
Kosovo (5)					1.25	0.05		83.31	71.62		0.12	156.34		156.34
fYRoM					0.62				40.34			40.96		40.96
Republic of Moldova (6)	55.76		3.69		1.72	0.12		0.08			30.14	91.49		91.49
Montenegro					0.09				27.61			27.69		27.69
Serbia	0.02		0.18		1.63				183.74			185.57		185.57
Turkey	0.82		0.05		1.16				414.19	2.65		418.88		418.88
Ukraine	65.58		4.57		0.89	0.43	15.22				0.07	86.77		86.77
States of ex-Yugoslavia unspecif.							0.26					0.26		0.26
Europe, Regional	89.48	0.01	35.76		6.45	0.70	0.04	1.74	130.42		5.34	269.96	0.08	270.04
Africa, Total	447.85	143.14	346.39	15.27	43.84	64.18	0.41	45.02	0.23	596.52	12.20	1 715.06	2 685.76	4 400.83
North Of Sahara, Total	446.83	0.36	12.53		15.49	7.70	0.41	0.93	0.23	18.90		1 715.06	0.03	503.40
Algeria	28.68		1.82		3.48					13.00		46.98		46.98
Egypt	87.55		2.45		0.92	1.86	0.09					92.86		92.86
Libya	2.96		1.61		6.36	5.80		0.10		5.89		22.73		22.73
Morocco	109.39		2.34		1.08		0.33					113.14		113.14
Tunisia	143.48		0.52		3.23	0.04						147.28		147.28
North Of Sahara, Regional	74.77	0.36	3.78		0.41			0.83	0.23			80.38	0.03	80.41
South Of Sahara, Total	142.78		309.04	14.74	27.47	55.00		43.16		577.62	6.14	1 175.96	2 550.94	3 726.90
Angola			3.23		1.19					0.29		4.42	16.20	20.62
Benin			1.60	0.41								2.30	62.60	64.90
Botswana			0.08									0.08	4.00	4.08
Burkina Faso			5.09	0.96		2.40				24.44		32.89	88.93	121.83
Burundi			2.78	0.11	0.32	0.06				3.86		7.13	38.58	45.71
Cameroon			5.25		0.31					6.43	1.88	13.87	74.99	88.86
Cape Verde			0.27							0.04	0.02	0.33	8.92	9.25
Central African Rep.			3.07		0.24	2.45				8.77		14.54	30.17	44.70
Chad			2.08		0.15	0.30				44.36		46.90	49.20	96.10
Comoros			0.15							0.21		0.36	9.36	9.72
Congo, Dem. Rep.			19.32	0.10	1.54	1.37		17.74		57.87	0.04	97.98	84.42	182.39
Congo, Rep.			3.32							0.59		3.90	9.23	13.14
Cote d'Ivoire			4.06		0.69	3.94				22.12	1.10	31.90	100.64	132.54
Djibouti			0.18		0.09					2.88	0.13	3.28	10.45	13.73
Equatorial Guinea												0.61		0.61
Eritrea			1.48	0.29	0.21					0.14		2.12	5.21	7.33
Ethiopia			7.29	1.79	0.08	5.09				39.52	0.04	53.81	139.30	193.11
Gabon												5.13		5.13
Gambia			0.24		0.02							0.26	15.62	15.87
Ghana			2.39	0.37	1.26					1.20	0.13	5.34	64.32	69.66
Guinea			2.57	0.86	0.00					0.70		4.14	27.50	31.64
Guinea-Bissau			2.93	0.21	0.61	0.95		0.00		0.16		4.86	6.61	11.47
Kenya			10.11	3.08	0.99	0.05				38.04		52.26	72.78	125.04
Lesotho			0.65	0.06	0.15					0.00		0.87	36.90	37.77
Liberia			4.93	0.38	0.34					13.28		18.92	59.00	77.92
Madagascar			5.64	0.18	0.48	1.33				5.24	0.00	12.88	15.60	28.47
Malawi			7.34	0.26	0.07					1.78	0.05	9.50	82.34	91.84
Mali			3.57	0.24	0.16					23.69	0.07	27.73	38.96	66.68
Mauritania			1.49	0.46	0.34					14.41		16.69	35.76	52.46
Mauritius			43.01			0.04						43.05	14.31	57.36
Mozambique			9.56	1.00	0.25					1.44		12.26	130.33	142.59
Namibia			0.51							0.33		0.84	20.11	20.95
Niger			2.94	0.71	0.17	6.01		4.05		37.90		51.79	124.05	175.84
Nigeria			2.52		1.96	1.92				7.82		14.23	89.61	103.84
Rwanda			4.23		0.78					1.30		6.31	64.62	70.92
St.Helena														
Sao Tome & Principe			0.14	0.16								0.30	4.07	4.36
Senegal			2.00	0.32	2.63					13.69		18.64	64.88	83.52
Seychelles			1.14									1.14	3.47	4.61
Sierra Leone			12.66	0.09	3.89					0.89		17.54	40.48	58.02
Somalia			8.94		1.33	7.56				58.22	0.17	76.22	56.74	132.95
South Africa		142.78	2.36		0.12							145.26		145.26
Sudan			13.83		1.91	12.77		0.88		102.91		132.30	17.07	149.38
Sudan			1.49		0.03			6.09		24.94		32.55	3.91	36.46
Swaziland			7.98		0.24					0.00		8.22	6.94	15.16
Tanzania			4.81	0.82		0.16				5.29		11.08	98.84	109.92
Togo			1.26	0.20		0.28				0.05		1.80	19.59	21.39
Uganda			6.46		1.39					3.57		11.43	92.66	104.08
Zambia			5.46	0.42	0.09						0.13	6.10	53.56	59.65
Zimbabwe			18.13		1.54	3.91				8.94		32.53	44.40	76.93
South Of Sahara, Regional			58.50	1.24	1.90	4.40		14.40		0.34	2.37	83.14	407.97	491.11
Africa, Regional	1.02		24.83	0.53	0.88	1.48		0.93			6.06	35.73	134.80	170.52

America, Total	282.08	139.35	1.47	18.70	8.24	1.15				73.79	16.26	541.04	189.59	730.62
North & Central, Total	87.42	75.35	1.46	5.98	6.51	0.36				50.06	13.78	240.92	181.12	422.04
Anguilla													3.62	3.62
Antigua & Barbuda													0.27	0.27
Belize		7.86									0.53	8.39	3.44	11.83
Costa Rica	2.57			0.23						0.22				3.02
Cuba	1.10	4.09			0.15					0.50		5.84		5.84
Dominica										0.06	3.40		0.46	3.92
Dominican Republic		2.44		0.56	0.07					1.81		4.88	50.54	55.42
El Salvador	13.43	1.95		0.60						2.24			18.22	18.22
Grenada											0.02	0.02	0.97	0.98
Guatemala	16.01	4.76	0.46	0.41						2.86		24.50		24.50
Haiti		7.56		1.15	4.97					35.93	0.29	49.89	52.34	102.23
Honduras	29.80	7.21	0.30	0.43	0.35					2.51	0.05	40.64		40.64
Jamaica		1.87		0.53						0.24	2.17	4.81	9.59	14.40
Mexico	6.73	8.09		0.47		0.36						15.65		15.65
Montserrat													5.13	5.13
Nicaragua	10.09	7.70	0.70	0.36						3.25	0.60	22.70		22.70
Panama	0.71			0.15						0.32		1.18		1.18
St. Kitts-Nevis		15.19										15.19	0.43	15.62
St. Lucia											4.72	4.72	12.44	17.16
St. Vincent & Grenadines										0.09	1.91	2.01	4.66	6.66
West Indies, Regional		1.60		0.30							0.03	1.93	28.05	29.99
N. & C. America, Regional	6.98	5.05		0.79	0.97					0.03	0.07	13.88	9.17	23.05
South, Total	181.56	62.73	0.01	12.25	1.68	0.79				23.72	0.44	283.20	8.47	291.66
Argentina	7.90	0.91		0.47						0.17		9.45		9.45
Bolivia	39.33	4.65	0.01	1.10	0.83					1.97		47.89		47.89
Brazil	7.09	7.69		1.08		0.79				0.27		16.92		16.92
Chile	0.19	0.85		0.44						0.04		1.51		1.51
Colombia	21.63	5.02		2.14						14.13		42.92		42.92
Ecuador	24.66	4.03		1.10						2.65	0.14	32.58		32.58
Guyana		20.29		0.03								20.33	4.06	24.39
Paraguay	12.71	1.17		0.69						1.01		15.58		15.58
Peru	19.66	5.94		0.88						2.37		28.85		28.85
Suriname										0.05	0.18	0.23	4.40	4.63
Uruguay	1.81	1.17		0.39								3.36		3.36
Venezuela	2.53	2.43		0.85						0.67		6.47		6.47
South America, Regional	44.06	8.59		3.09	0.85					0.40	0.13	57.10		57.10
America, Regional	13.10	1.26		0.46	0.06						2.04	16.92		16.92
Asia, Total	428.37	596.27	141.47	6.34	33.13	81.37	4.33	116.10	0.21	353.23	5.07	1 755.88	20.40	1 776.28
Middle East, Total	322.74	36.42	21.27	0.70	8.85	33.81	1.02	38.12	0.21	130.16	0.77	594.06		594.06
Iran			0.76		0.45					1.60		2.81		2.81
Iraq		26.41	0.02		0.98	11.20		26.88		5.74		71.25		71.25
Jordan	90.92	0.43	1.13	0.29	1.99		1.02			10.49		106.27		106.27
Lebanon	28.77		2.54		0.81	6.23				11.68	0.04	50.07		50.07
Occupied Palestinian territory	169.98		12.52		1.84	9.42		10.04		43.07	0.22	247.09		247.09
Syria	1.53		0.34		0.40	6.01				19.53		27.82		27.82
Yemen		5.80	3.70	0.41	1.17	0.88				38.04		50.00		50.00
Middle East, Regional	31.54	3.77	0.26		1.20	0.07		1.20	0.21		0.51	38.76		38.76
South & Centr. Asia, Total	105.63	311.72	70.14	4.27	14.11	42.26	2.91	77.98		191.68	0.45	821.14		821.14
Afghanistan		91.72	11.95	0.29	1.39	6.37		55.31		32.60		199.63		199.63
Armenia	25.90		1.60		0.81		2.59			0.91		31.81		31.81
Azerbaijan	18.70		1.34		0.02					0.31		20.37		20.37
Bangladesh		55.58	18.12	1.79	0.98	0.49				22.78		99.75		99.75
Bhutan		3.96	0.14									4.11		4.11
Georgia	61.03		2.96		1.42	3.27	0.31	21.76		1.03	0.04	91.82		91.82
India		9.22	8.58		1.59					8.55		27.95		27.95
Kazakhstan		6.72	0.82		0.39	0.66				0.72		9.31		9.31
Kyrgyz Rep.		12.44	0.71		0.73	3.96				1.09		18.92		18.92
Maldives		3.11	0.55									3.66		3.66
Myanmar (Burma)		12.75	3.31		1.37	1.18				17.50		36.11		36.11
Nepal		7.29	7.83	0.34	0.42	3.26				2.20	0.05	21.38		21.38
Pakistan		27.57	3.55	1.84	0.88	21.95				92.12		147.91		147.91
Sri Lanka		26.99	1.60		0.74					6.84		36.17		36.17
Tajikistan		21.58	2.31		0.36					4.11		28.35		28.35
Turkmenistan		3.21			0.41					0.46		4.08		4.08
Uzbekistan		1.93			0.38					0.46		2.77		2.77
Central Asia, Regional		16.98	0.66		1.18	1.12		0.91			0.36	21.21		21.21
South Asia, Regional		2.77	2.38		0.50							5.65		5.65
South & Central Asia, Regional		7.90	1.73		0.55							10.18		10.18
Far East, Total	191.20	38.65	1.37	9.53	5.30	0.40				31.39	1.19	279.05	20.40	299.45
Cambodia		16.34	9.25	0.09	1.80	0.05				4.67		32.20		32.20
China		25.90	3.30		1.48						1.15	31.84		31.84
Indonesia		97.66	3.03		0.97	1.62				1.40		104.68		104.68
Korea, Dem.		0.29	4.83		0.11					0.10		5.33		5.33
Laos		2.18	4.45	0.21	0.42					2.97		10.23		10.23
Malaysia		0.49			0.09							0.58		0.58
Mongolia		1.01	1.63		0.21					0.21		3.06		3.06
Philippines		18.65	2.39	1.08	0.85	3.02				9.95		35.93		35.93
Thailand		4.37	3.76		0.11	0.23				7.79		16.26		16.26
Timor-Leste		0.45	3.39		2.45	0.38				0.05		6.71	20.40	27.11
Viet Nam		19.35	1.85		0.62		0.40			4.19	0.04	26.44		26.44
Far East Asia, Regional		4.50	0.77		0.43					0.08		5.79		5.79
Asia, Regional		46.92	11.41		0.63						2.66	61.63		61.63

Oceania, Total			10.45		1.26	0.06				0.93	12.71	56.93	69.64		
	Cook Islands											0.56	0.56		
	Fiji		4.34		0.58				0.22		5.14	0.80	5.94		
	Kiribati											1.97	1.97		
	Marshall Islands											0.09	0.09		
	Micronesia, Fed. Sts.											0.05	0.05		
	Nauru											1.08	1.08		
	Niue											0.48	0.48		
	Palau											0.00	0.00		
	Papua New Guinea		1.48		0.08				0.24		1.80	10.33	12.13		
	Samoa		0.76						0.06		0.82	6.27	7.09		
	Solomon Islands		1.41		0.15	0.06			0.08		1.71	8.14	9.85		
	Tokelau														
	Tonga								0.06		0.06	0.55	0.61		
	Tuvalu											0.64	0.64		
	Vanuatu		1.67						0.28		1.95	2.10	4.05		
	Wallis & Futuna											4.97	4.97		
	Oceania, Regional		0.79		0.44						1.24	18.90	20.13		
Bilateral unallocated		66.61	0.06	110.63	7.38	10.50	13.13	2.65	2.07	0.10	44.83	39.57	297.54	70.06	367.60
<b>Part I (ODA) Bilateral, Total</b>		<b>1 163.99</b>	<b>1 011.57</b>	<b>794.08</b>	<b>30.46</b>	<b>126.37</b>	<b>169.86</b>	<b>24.50</b>	<b>254.78</b>	<b>995.60</b>	<b>1 071.95</b>	<b>108.76</b>	<b>5 751.93</b>	<b>3 022.82</b>	<b>8 774.74</b>
Public Private Partnerships															
United Nations		82.27		5.31		2.43						5.05	95.06		95.06
	UNRWA	82.27											82.27		82.27
	UNDP														
	WFP														
	WHO														
	FAO											0.15	0.15		0.15
International Monetary Fund (IMF)								37.30					37.30		37.30
World Bank Group													50.00		50.00
World Trade Organisation															
Regional Development Banks															
Other Multilateral Institutions				55.94									55.94		55.94
	GFTAM			50.00									50.00		50.00
Others															
<b>Part I (ODA) Multilateral Aid, Total</b>		<b>82.27</b>		<b>61.26</b>		<b>2.43</b>		<b>37.30</b>				<b>5.05</b>	<b>188.31</b>	<b>50.00</b>	<b>238.31</b>
<b>Part I (ODA), Total</b>		<b>1 246.26</b>	<b>1 011.57</b>	<b>855.33</b>	<b>30.46</b>	<b>128.80</b>	<b>169.86</b>	<b>61.80</b>	<b>254.78</b>	<b>995.60</b>	<b>1 071.95</b>	<b>113.81</b>	<b>5 940.23</b>	<b>3 072.82</b>	<b>9 013.05</b>
<b>Part II: Countries and Territories in Transition (non ODA)</b>															
More Advanced Developing Countries		31.14		21.77		2.25	1.68	0.71	10.68	2.08	2.54	37.56	110.42	33.94	144.36
	Aruba													0.03	0.03
	Barbados			10.80									10.80		11.45
	Bahrain														
	Bahamas									0.02		0.02	1.19		1.21
	Bermuda														
	Brunei														
	Cayman Islands														
	Taiwan														
	Falkland Islands														
	French Polynesia												11.08		11.08
	Gibraltar														
	Hong Kong, China														
	Israel		6.63	0.97		1.78				0.62		9.99			9.99
	Korea														
	Kuwait														
	Macao														
	Mayotte													9.39	9.39
	Netherlands Antilles													0.06	0.06
	New Caledonia													1.11	1.11
	Oman														
	Pitcairn Islands												1.14		1.14
	Qatar														
	Saudi Arabia														
	Singapore														
	Trinidad & Tobago			9.82							0.09	9.91	1.14		11.05
	Turks & Caicos Islands									0.02	0.02	5.93			5.95
	United Arab Emirates														
	Virgin Islands (UK)														
	MADCT Unallocated	24.51		0.19		0.47	1.68	0.71	10.68	1.45	2.41	37.56	79.68	2.24	81.92
CEECs/NIS		12.31		3.64		3.17	0.04	3.83		164.56		53.21	240.76		240.76
	Bulgaria			0.12						17.01			17.13		17.13
	Croatia	0.01				0.20				92.39			92.60		92.60
	Cyprus											24.96	24.96		24.96
	Czech Republic									0.25		0.15	0.40		0.40
	Estonia														
	Greenland											26.73	26.73		26.73
	Hungary									1.25			1.25		1.25
	Latvia									0.43			0.43		0.43
	Lithuania			0.00						2.44			2.45		2.45
	Iceland									4.31			4.31		4.31
	Malta														
	Poland									0.02		0.01	0.03		0.03
	Romania									45.82			45.82		45.82
	Russia	12.28		3.13		2.97		3.83					22.21		22.21
	Slovak Republic									0.01			0.01		0.01
	Slovenia	0.02								0.64			0.66		0.66
	Europe Unallocated	0.00		0.38		0.04						1.37	1.79		1.79
	CEECs Unallocated	23.51								7.36			30.87	7.05	37.92
<b>Part II (Non-ODA) Bilateral Aid, Total</b>		<b>66.96</b>		<b>25.41</b>		<b>5.42</b>	<b>1.72</b>	<b>4.54</b>	<b>10.68</b>	<b>174.00</b>	<b>2.54</b>	<b>90.77</b>	<b>382.06</b>	<b>40.99</b>	<b>423.05</b>
EBRD															
<b>Part II (non-ODA) Multilateral Aid, Total</b>															
<b>Part II (non-ODA), Total</b>		<b>66.96</b>		<b>25.41</b>		<b>5.42</b>	<b>1.72</b>	<b>4.54</b>	<b>10.68</b>	<b>174.00</b>	<b>2.54</b>	<b>90.77</b>	<b>382.06</b>	<b>40.99</b>	<b>423.05</b>
<b>Total Part I &amp; Part II</b>		<b>1 313.22</b>	<b>1 011.57</b>	<b>880.74</b>	<b>30.46</b>	<b>134.22</b>	<b>171.58</b>	<b>66.34</b>	<b>265.47</b>	<b>1 169.61</b>	<b>1 074.50</b>	<b>204.58</b>	<b>6 322.29</b>	<b>3 113.81</b>	<b>9 436.10</b>
<b>BA Lines</b>		<b>50.20</b>	<b>61.43</b>	<b>45.63</b>	<b>0.06</b>	<b>10.68</b>	<b>6.15</b>	<b>1.40</b>		<b>50.58</b>	<b>8.52</b>	<b>8.70</b>	<b>243.34</b>		<b>243.34</b>
<b>Other Flows</b>		<b>34.37</b>	<b>9.65</b>	<b>11.65</b>		<b>5.63</b>	<b>38.60</b>	<b>0.14</b>		<b>38.86</b>	<b>0.02</b>	<b>280.84</b>	<b>419.75</b>	<b>178.31</b>	<b>598.06</b>
<b>Total Flows</b>		<b>1 397.79</b>	<b>1 082.65</b>	<b>938.02</b>	<b>30.52</b>	<b>150.53</b>	<b>216.33</b>	<b>67.88</b>	<b>265.47</b>	<b>1 259.04</b>	<b>1 083.04</b>	<b>494.12</b>	<b>6 965.39</b>	<b>3 292.12</b>	<b>10 277.50</b>

Breakdown by country/region and instrument financed on the Heading 4 of the general Commission budget and the European Development Fund (EDF) in 2012. Bilateral and Multilateral ODA / non-ODA flows.

- (1) DCI - Geo : Asia, Latin America, South Africa
- (2) DCI - Thema : Migration, Food security, Non-state actors, Environment, Human & social development, ACP sugar programmes
- (3) Food Facility : Facility for rapid response to soaring food prices in developing countries, Pilot project — Finance for agricultural production
- (4) CFSP is financed on the General Commission Budget managed by DG External Relations
- (5) UNSCR 1244/99
- (6) henceforth Moldova

