European Development Fund (EDF)

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EU Delegation to the Republic of Angola
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Why Development Cooperation?
What is the problem?

What is the primary objective of EU development policy?
1.2 billion people still live in extreme poverty (on less than $1.25 a day)

½ million mothers die each year in pregnancy or within 7 weeks of giving birth

22.5 million people in Sub-Saharan Africa are infected with HIV and 1.3 million people die from AIDS every year

870 million people undernourished, including more than 100 million undernourished and underweight children

57 million children of primary school age were out of school
Eradicating poverty

Treaty of Lisbon (Chapter 1 – General Provisions of the Union's External Action, Article 10 A, par. 2 (d))

2. The Union shall define and pursue common policies and actions, and shall work for a high degree of cooperation in all fields of international relations, in order to:

(d) foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty;
2000 Millennium Development Goals

1. ERADICATE EXTREME POVERTY AND HUNGER
2. ACHIEVE UNIVERSAL PRIMARY EDUCATION
3. PROMOTE GENDER EQUALITY AND EMPOWER WOMEN
4. REDUCE CHILD MORTALITY
5. IMPROVE MATERNAL HEALTH
6. COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES
7. ENSURE ENVIRONMENTAL SUSTAINABILITY
8. A GLOBAL PARTNERSHIP FOR DEVELOPMENT
Plurality of Development Aid actors
How to avoid this in Development Aid?

Development Aid donors

Beneficiary
The answer is: Aid Effectiveness

**Global level (OECD)**
- Paris Declaration on Aid Effectiveness (2005)
- Accra Agenda for Action (2008)
- Busan Partnership for Effective Development Cooperation (2011)

**EU level**
- Code of Conduct on Complementarity and Division of Labour in Development Policy (2005)
- European Consensus for Development (2005)
- Agenda for Change Communication/Council Conclusions (2011/12)
**Principles of Aid Effectiveness**

*Ownership* by Partner Countries: a *Financing Agreement* is signed between the EU and the Partner Country.

*Alignment* by Donor Countries, including
- Use of Partner Country Systems

*Harmonisation* of donor action

*Focus on Results*

*Mutual Accountability* of Donor and Partner Countries
2 EU Development Cooperation in Figures
EU budget and external assistance

Percentage of EU budget committed to external assistance in 2012

- Commission Budget without External Aid: €134,630 million
- External Aid (Budget + EDF): €13,784 million
- Commission Budget + EDF: €148,414 million

EU: 28 Member States + European Commission

- EU 28 + 1 responsible for **65% of the world development aid** (in 2012 = USD 82.5 billion)
- USA responsible for 24% (in 2012: USD 30.5 billion)

**Commission on its own:**
- 2nd largest donor of humanitarian aid after USA
- 2nd largest donor of development aid after USA, and followed by UK, Germany and France

The largest donors, by volume were: the United States, the United Kingdom, Germany, France and Japan.

Denmark, Luxembourg, the Netherlands, Norway and Sweden continued to exceed the United Nations’ ODA target of 0.7% of GNI.

Sectoral distribution

Commitments 2011 in € million

- **Social infrastructures**: education, health, water, government and civil society, other (773 (6.8%))
- **Economic infrastructures and services**: transport, communications, energy, other services (1,299 (11.5%))
- **Production**: agriculture, forestry and fishing, industry, mining and construction, trade and tourism (213 (1.9%))
- **Multisector/Crosscutting**: environment, other (1,884 (16.6%))
- **Budget support, food aid, food security**: (1,268 (11.2%))
- **Action relating to debt**: (1,056 (9.3%))
- **Humanitarian aid**: Emergency response, reconstruction relief and rehabilitation, disaster prevention and preparedness (4,830 (42.7%))
- **Other/Unallocated**: admin. costs, unspecified
3 EU Development Cooperation: Landmarks & Structure
1958 **European Development Fund** for former colonies in Africa the Caribbean and the Pacific

1990s Development policy in the **European treaties** & extension of EC aid to all regions of the world

2000 Reform of EC external assistance (2001 - creation of EuropeAid) and deconcentration.

2005 **European Consensus for Development**

2007 **New EC funding instruments** for 2007-2013

2009 Lisbon Treaty entry into force

2010 Establishing of the European External Action Service (EEAS) & the Service for Foreign Policy Instruments (FPI)

2011 Merging DG Development & EuropeAid = **DEVCO**

2011 Agenda for Change
Main Actors: Commission & EEAS

Andris Piebalgs
Development
Development and Cooperation – EuropeAid

Karel De Gucht
Trade

Štefan Füle
Enlargement, European Neighbourhood Policy

Kristalina Georgieva
International Cooperation, Humanitarian Aid, Civil Protection

Catherine Ashton
Vice-President
High-Representative for Foreign Affairs and Security Policy
The EU's new "corps diplomatique" foreseen in Article 27(3) EU Treaty and established by Council Decision 2010/427/EU as a body separate from the Commission

A service, comparable to a directorate-general, that assists Ms Ashton in her roles as

- Union's High Representative for Foreign Affairs and Security Policy (her independent powers)
- Commission Vice-President in charge of certain aspects of external action policy

In charge of certain policies, but not of their financial implementation (only has administrative budget)

EU Delegations and their heads are within EEAS
DEVCO Key Figures

**Staff:** 1541 in HQ
3024 in Delegations

**Budget:** €7 billion per year in average

The EU is represented through **139 EU Delegations and Offices** around the world (including Delegations to candidate countries, industrialised countries and to international organisations based in Geneva, New York, Paris, Rome, and Vienna).
The EU development policy is coordinated from Brussels

...but implemented through 110 EU Delegations

83% of the EU actions are directly or indirectly managed by the EU Delegations
Development Cooperation in practice

The MFF translates the EU's political priorities for seven years into financial terms.

It sets annual maximum amounts (ceilings) for EU expenditure as a whole and for the main categories of expenditure (headings).

The overall amount agreed: €960 billion in commitments (1% of the EU GNI) and €908 billion (0.95% of EU GNI) in payments (in 2011 prices).

The total amount agreed for this external relations package is €51,419 million (current prices) over the period 2014-2020.
Adoption of the new External Financing Instruments

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-accession instrument (IPA):</td>
<td>€11,699 million</td>
</tr>
<tr>
<td>European Neighbourhood Instrument (ENI):</td>
<td>€15,433 million</td>
</tr>
<tr>
<td>Development Cooperation Instrument (DCI):</td>
<td>€19,662 million</td>
</tr>
<tr>
<td>Partnership Instrument (PI):</td>
<td>€955 million</td>
</tr>
<tr>
<td>Instrument for Stability (IfS):</td>
<td>€2,339 million</td>
</tr>
<tr>
<td>European Instrument for Democracy &amp; Human Rights (EIDHR):</td>
<td>€1,333 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€51,419 million</strong></td>
</tr>
</tbody>
</table>

- **A further €30,506 million will be made available for cooperation with ACP and OCT (Overseas Countries and Territories) through the 11th European Development Fund**
The EU will focus its work with its external partners on four policy priorities:

- enlargement,
- neighbourhood,
- cooperation with strategic partners and
- development cooperation.

1. **THE INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA) – €11,699 M**

Support to aspirant countries (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia, Turkey, the former Yugoslav Republic of Macedonia)
2. European Neighbourhood Instrument (ENI) - €15,433 M

- Funding to the 16 partner countries covered by the European Neighbourhood Policy (ENP)

- ENI support will mainly focus on:
  
  - Promoting human rights and the rule of law;
  - Sustainable and inclusive growth and economic, social and territorial development; including progressive integration in the EU internal market;
  - Mobility and people-to-people contacts; including student exchanges;
  - Regional integration; including Cross-Border Cooperation programmes.
European Neighbourhood Instrument - ENI

16 countries
€15.43 billion
3. DEVELOPMENT COOPERATION INSTRUMENT (DCI) - € 19,662 M

- Geographic programmes (€11,809 M): they will support bilateral and regional cooperation with developing countries in several areas such as human rights, democracy, good governance and sustainable growth for human development and many other priorities relevant to each region.

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>€ 2,500 M</td>
</tr>
<tr>
<td>South Asia</td>
<td>€ 3,813 M</td>
</tr>
<tr>
<td>North &amp; South East Asia</td>
<td>€ 2,870 M</td>
</tr>
<tr>
<td>Central Asia</td>
<td>€ 1,072 M</td>
</tr>
<tr>
<td>Middle East</td>
<td>€ 545 M</td>
</tr>
<tr>
<td>Other countries</td>
<td>€ 251 M</td>
</tr>
</tbody>
</table>
Development Cooperation Instrument - DCI

47 countries
€11.81 billion
What are the EU financing instruments?

3. **DCI - Thematic programmes (€ 7, 008 M)**

**Global public goods and challenges (€ 5, 101 M)**

- Environment & CC 27%
- Sustainable Energy 12%
- Food & Nutrition Security & Sustainable Agriculture 29%
- Migration & Asylum 7%
- Human development 25%

Of which: Health (>=40%)

- Education, knowledge & skills (>=17.5%)
- Gender equality (>=27.5%)
What are the EU financing instruments?

3. DCI - Thematic programmes (€ 7,008 M)

Civil Society Organisations & Local Authorities (€ 1,907 million)
Support to civil society and local authorities to encourage them to play a bigger role in development strategies.

Pan-African programme (€845 million)
To support the strategic partnership between the EU and Africa
4. PARTNERSHIP INSTRUMENT (PI) - € 955 M

It will focus on countries for which the EU has a strategic interest in promoting links with.

- Support for the Union’s bilateral, regional and inter-regional cooperation partnerships strategies.
- Reinforcement of cooperation on global challenges (CC, energy security & environment)
- Implementing the international dimension of Europe 2020.
- Enhancing cooperation in higher education: student and academic staff mobility (Erasmus + programme)
- Support of economic and trade relations with partner countries
What are the EU financing instruments?

5. INSTRUMENT CONTRIBUTING TO STABILITY AND PEACE (IfSP) - € 2,339 M
The IfSP is a key instrument of the EU to help prevent and respond to crises and create a safe and stable environment.

6. EUROPEAN INSTRUMENT FOR DEMOCRACY & HUMAN RIGHTS (EIDHR) – € 1,333 M
- Support for the development of thriving civil societies and their specific role as key actors for positive change in support of human rights and democracy
- Support will also be given to carrying out electoral observation missions, and improving democratic and electoral processes
5

THE EUROPEAN DEVELOPMENT FUND (EDF)

11th EDF (2014-2020)
EDF specificities

- Covers cooperation with ACPs and OCTs
- OUTSIDE EU BUDGET: specific legal framework, specific EDF committee, no involvement of EP in legislative process (Council/MS)
- MULTIANNUAL: for the EDF the budget rule of the annuity doesn’t apply
- Sunset clause: all funds of 10th EDF had to be committed by the end of 2013, same sunset clause for 11th EDF (end 2020)
- FLEXIBILITY: B-allocations, Reserves
Signed in 2000, concluded for a twenty-year period until 2020

Framework for EU cooperation with 79 countries from Africa, the Caribbean and the Pacific (ACPs)

First revision in 2005, second revision in 2010 (adapted to new challenges: climate change, food security, regional integration, fragility, aid effectiveness...)

Comprehensive partnership, based on three pillars: development cooperation, economic and trade cooperation, and political dimension

Objectives: reducing and eventually eradicating poverty, sustainable development and gradual integration of ACPs into the world economy

Principles: equality of the partners and ownership of the development strategies; participation (central governments as the main partners, partnership open to different kinds of other actors including NSAs); differentiation and regionalisation
Legal basis for cooperation with ACPs: Cotonou Agreement

Legal basis for cooperation with OCTs: Overseas Association Decision (OAD)

11th EDF Internal Agreement (ACPs + OCTs)

11th EDF Financial Regulation (ACPs + OCTs)

11th EDF Implementation Regulation (ACPs)
Intergovernmental agreement between MS => Fixes EDF amount, financial envelopes, MS contribution keys and voting rights in the EDF Committee

Council negotiations in 2012-2013:

• Negotiations started in January 2012 => text finalized June 2012 except amounts, contribution keys, voting rights)

• European Council conclusions on 8/02/2013: set MS contribution keys and global amount for the 11th EDF = €30.506M in current prices (+0.2% to 10th EDF; -11% compared to COM 2011 proposal)

• February-April 2013: Finalization of the text

Signature by all MS in June 2013 (OJ L 210, 06/08/2013, p.1)

Ongoing ratification process by all MS (entry into force possibly early/mid 2015)
## Components (sub envelopes)

<table>
<thead>
<tr>
<th>Component</th>
<th>Internal Agreement (€ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIPs/RIPs for ACPs</td>
<td>24 365</td>
</tr>
<tr>
<td>Intra-ACP</td>
<td>3 590</td>
</tr>
<tr>
<td>ACP Investment Facility</td>
<td>1 134</td>
</tr>
<tr>
<td><strong>ACP sub-envelope</strong></td>
<td><strong>29 089 (95.35%)</strong></td>
</tr>
<tr>
<td>OCT territorial, regional, other programmes</td>
<td>359.5</td>
</tr>
<tr>
<td>OCT Investment Facility</td>
<td>5</td>
</tr>
<tr>
<td><strong>OCT sub-envelope</strong></td>
<td><strong>364.5 (1.2%)</strong></td>
</tr>
<tr>
<td>Support expenditure</td>
<td><strong>1 052.5 (3.45%)</strong></td>
</tr>
<tr>
<td><strong>Sub-total 11th EDF</strong></td>
<td><strong>30 506 (100%)</strong></td>
</tr>
<tr>
<td>EIB own resources (ACP)</td>
<td>2 500</td>
</tr>
<tr>
<td>EIB own resources (OCT)</td>
<td>100</td>
</tr>
<tr>
<td><strong>Sub-total own resources</strong></td>
<td><strong>2 600</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>33 106</strong></td>
</tr>
</tbody>
</table>
European Development Fund - EDF

79 countries
€29.09 billion
3 level of programming:

1. **National level: to support ACP national development plans**
   - 39 National Indicative Programmes (NIPs) signed by EU and ACP sides (16 NIPs signed in Nairobi on 19/06/2014)
   - Remaining NIPs to be finalized in the course of 2014
   - European Parliament (EP) will exercise its democratic scrutiny under new legislature (EP position to be taken into account during implementation)
   - Benchmarking for Human Development (20%) and Climate Change (20%) (targets refer to the whole EU cooperation)
2. **Regional level: support regional integration & cooperation**

- Focus on (regional economic integration, peace and security, natural resources)
- Support few key objectives of regional organisations + tackle obstacles of regional integration => support also role of national authorities, specialised institutions, regional development banks
- Around €1bn on blending (mixing EU grants + loans) for infrastructure
- Regional Indicative Programmes (RIPs) in preparation, to be finalized end 2014/early 2015

3. **Intra-ACP level: address common challenges faced by ACP countries as a whole**

- Focus on key shared challenges where international cooperation brings added value
EU PROJECT CYCLE

1. PROGRAMMING
2. IDENTIFICATION
3. FORMULATION
4. IMPLEMENTATION
5. EVALUATION

Where to invest EU funds?

Selling the idea
Did it work?
Just do it!
All the details
We are here!

Did it work?
Just do it!

All the details
Selling the idea

EU funds?

We are here!
Final Recipients: non state actors (NGOs, private companies, natural persons, universities, State for Budget Support...)

Sources of funds:
- External Assigned Revenue

Management Mode:
- Direct management: Commission/HoD/Executive Agency
- Indirect management:
  - International Organisations
    - Contribution Agreement
  - MS/EU Agencies
    - Delegation Agreement
  - Partner Countries
    - Financing Agreement

New: Indirect Management Delegation Agreement (IMDA)

Funding Instruments:
- Budget Support
  - Financing Agreement
- Procurement & Grants
  - Procurement & Grant Contracts
FUNDING “CASCADE”

TOTAL EDF

10th EDF € 22.6 billion

ALLOCATIONS

Angola € 214 million

PROJECTS

Demining; APROSOC; FAS IV, SANGA, etc

CONTRACTS

Works, service, supply, grants, Contribution Agreements,...

PAYMENTS
EU Cooperation with ANGOLA
Background information about Angola

- **GDP:** 5.2% (2012) 4.1% (2013)

- **GNI per capita ~ US$ 5,000 (2013)**

- Angola's economy depends heavily on oil. Angola has the second most concentrated economy in the world in term of export, after Iraq.

- Angola is ranked 138 out of 139 countries with regards to competitiveness
Life expectancy: 51 (2012)
Under-5 mortality rate: 164 (ranked 2 in 2012)
Prevalence of Stunting (<5y): 30% (2012)
Population with access to water: 42% (60% in urban areas and 22% in rural areas).
Open defecation is 34% (64 % in rural areas)
Poverty in rural areas (60%)
Less than 10 percent of Angola’s arable land is currently under cultivation (5.6 Million hectares)
Programming Principles

- **Policy consistency**: alleviating poverty, promoting sustainable development, increasing aid effectiveness and achieving the UN’s MDG

- **Ownership**: Alignment with National Development Plan

- **Concentration on max. 3 sectors per country**

- **Common vision for EU and Member states**: joint actions & programming promoted

- **Harmonisation of donor action**

- **Focus on Results**
Instrumentos de Planeamento do Governo de Angola

**Instrumento de Longo Prazo**
- Estratégia a Longo Prazo

**Instrumentos Médio Prazo**
- Plano Nacional, Planos de Desenvolvimento Sectorial e Provincial, Planos Estratégicos

**Instrumentos de Curto Prazo**
- Planos Anuais, Planos de Acção e de Contingência
Objectivos de Longo Prazo – Angola 2025

Plano Nacional de Desenvolvimento PND 2013-17
Objectivos, Programas e Medidas de Médio Prazo

Programa de Investimento Público

Objectivos, Programas, Medidas e Projectos

OGE
Financiamento de Projectos Enquadrados em Programas
Focal sectors in Angola

a) Technical and Vocational Education and Training (TVET) and higher education (HE)

b) Sustainable agriculture

c) Water and Sanitation.
Overall objective: to contribute to the development and valorization of human capital resources in Angola, by expanding knowledge and skills of the country's labour force.

Four Specific Objectives (SO) are identified:

1. Strengthen the structures of TVET systems and the structures of HE, ensuring coordination among them (Institutional capacity building)
2. Improve equity in access to TVET systems, targeting females, newly literates and rural population (Access)
3. Extend the training offer and improve the quality of TVET to ensure that trainees are equipped with relevant and appropriate knowledge, skills and attitudes including skills that could help developing a green economy (Quality)
4. Promote an enabling environment for an adequate transition from the TVET systems to the labour market (Transition)
Overall objective: to improve the sustainability of the agricultural sector and reducing hunger and vulnerability in the context of a changing climate.

Three mutually reinforcing Specific Objectives have been identified:

1. Improve food and nutrition security for vulnerable agricultural households.
2. Enhance resilience of smallholder farmers and households through the adoption of improved climate smart technologies, the establishment of safety nets and the strengthening of disaster preparation.
3. Strengthen capacity of institutions, smallholder farmers and agriculture extension agents in land and water management, nutrition, climate change adaptation and innovation.
SO1) Improve food and nutrition security for vulnerable agricultural households.

Main expected results:

R.1) Increased and diversified smallholder productivity with emphasis on production of nutritious food and in the context of unpredictable climatic conditions.

R.2) Increased access to land, especially for women.

R.3) Improved access to food and nutritional adequacy of food intake.

R.4) Increased smallholders’ (and women’s in particular) access to markets through farmer organizations and cooperatives.
**SO2) Enhance resilience of smallholder farmers and households through the adoption of improved climate smart technologies, the establishment of safety nets and the strengthening of disaster preparation.**

**Main expected results:**

**R.1) Enhanced ability of smallholder farmers to manage risks and adopt improved climate smart technologies to reduce their vulnerability.**

**R.2) Strengthened disaster preparedness and early warning.**
SO3) Strengthen capacity of institutions, smallholder farmers and agriculture extension agents in land and water management, nutrition, climate change adaptation and innovation.

Main expected results:

R.1) Enhanced capacity of smallholder farmers.

R.2) Improved Institutional Capacity.

R.3) Enhanced Research and Innovation cooperation with the EU to make food and nutrition more secure.
**Overall objective:** To contribute to poverty alleviation and environmental preservation, by increasing access to potable water, sanitation and improved hygiene practices

**Specific objectives:**
- **SO1** Increase access to safe water, sanitation and improved hygiene practices in peri-urban and rural areas, and improve the quality of services and the environment, in selected geographical areas;
- **SO2** Strengthen and modernize the institutional and legal frameworks with a view to a more efficient and sustainable management of water supply and sanitation systems;
- **SO3** Develop specific skills to coordinate the various aspects of potable water supply and sanitation services management.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVET &amp; HE</td>
<td>45 M €</td>
<td>21.4%</td>
</tr>
<tr>
<td>Sustainable Agriculture</td>
<td>84 M €</td>
<td>40%</td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td>65 M €</td>
<td>31%</td>
</tr>
<tr>
<td>Measures in favour of civil society</td>
<td>6 M €</td>
<td>2.8%</td>
</tr>
<tr>
<td>Support measures</td>
<td>10 M €</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>210 M €</td>
<td>100%</td>
</tr>
</tbody>
</table>
Angola receives EU funds from two different sources

EU Budget

€ 214 M

€ 18 M

10 FED

Angola

Final Recipients
Examples of projects funded with the 10th EDF in Angola
Demining Programme - EU contribution: €40 M

27 years of mine lying
Mines from 22 countries (76 types)
Demining Programme - EU contribution : €40 M


Angola became a State Party - 1 January 2003

Obligation to clear all Anti-Personnel mines by 2018)
Mine Ban Treaty does not include Anti-Tank mines!
Demining Programme - EU contribution: €40 M
Demining Programme - EU contribution: €40 M
Demining Programme - EU contribution: €40 M
Demining Programme - EU contribution: €40 M
Question: How long to clear all the mines?

2,900 Suspected Hazardous Areas covering 1,300km²

Annual clearance rate 10km²/year

Answer: 130 years!
Sanga – Strengthening of Livestock Services in Angola
EU contribution: € 3.5 M
SANGA – EU Contribution € 3.5 M
SANGA – EU Contribution € 3.5 M
FAS IV – Support to Local Development Programme (LDP) through Social Action Fund (FAS)

Budget:
- World Bank: a credit of US $81.7 million
- Government of Angola: US $58.7 million
- EU: €30 million

Expected results and main activities:
- Rehabilitation and/or construction of Social and Economic Infrastructures
- Reinforcement of Local institutional capacities
- Increased opportunities for employment and income generation
FAS IV – EU Contribution € 30 M
FAS IV – EU Contribution € 30 M
Where can I find information?

http://ec.europa.eu/europeaid/how/index_en.htm
Where can I find information?

http://ec.europa.eu/europeaid/
Thanks for your attention!