

European Development Fund (EDF)

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Why Development Cooperation?





What is the problem?

What is the primary objective of EU development policy?

Poverty



- **1.2 billion** people still live in extreme poverty (on less than \$1.25 a day)
- 1/2 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



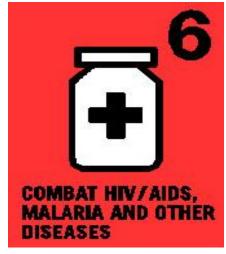
















Plurality of Development Aid actors





















MINISTRY OF FOREIGN AFFAIRS OF DENMARK





Buitenlandse Zaken Ontwikkelings samenwerking

Japan International Cooperation Agency







WORLD BANK





Austrian

















Inter-American Development Bank

How to avoid this in Development Aid? European Commission **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



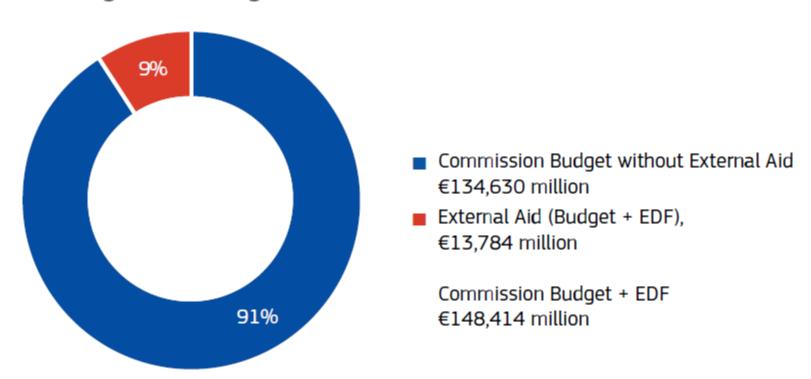


EU Development Cooperation in Figures



EU budget and external assistance

Percentage of EU budget committed to external assistance in 2012



Source: EuropeAid brochure, EU Contribution to the MDGs - http://ec.europa.eu/europeaid/documents/mdg-brochure-2013 en.pdf

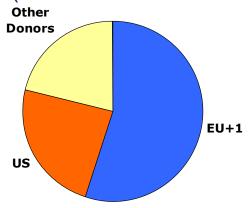


EU the biggest donor in the world

Commission

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)



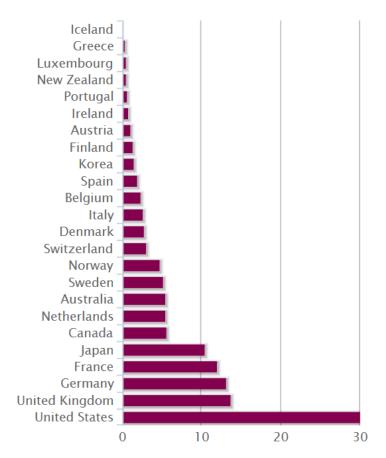
Commission on its own:

- 2nd largest donor of humanitarian aid after USA
- 2nd largest donor of development aid after USA, and followed by UK, Germany and France

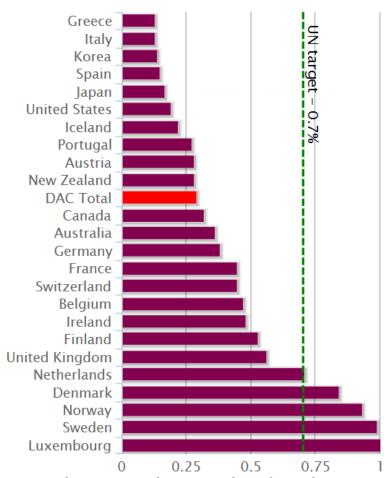
Global development aid data (2012)

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

ODA - USD billion (2012)



ODA as per cent of GNI (2012)



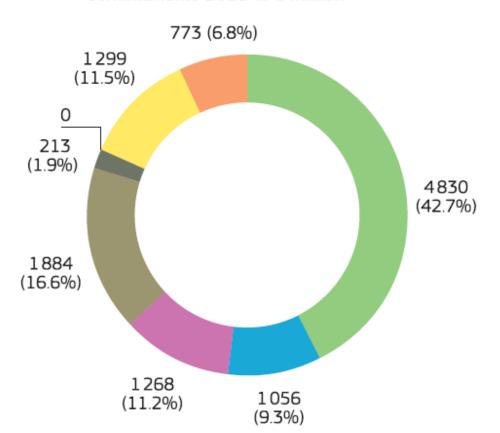
Denmark, Luxembourg, the Netherlands, Norway and Sweden continued to exceed the United Nations' ODA target of 0.7% of GNI

Source: OECD, DAC, 2012 - Aid statistics (03/04/2013) - http://www.oecd.org/dac/stats/data



Sectoral distribution

Commitments 2011 in € million



- Social infrastructures: education, health, water, government and civil society, other
- Economic infrastructures and services: transport, communications, energy, other services
- Production: agriculture, forestry and fishing, industry, mining and construction, trade and tourism
- Multisector/Crosscutting : environment, other
- Budget support, food aid, food security
- Action relating to debt
- Humanitarian aid : Emergency response, reconstruction relief and rehabilitation, disaster prevention and preparedness
- Other/Unallocated : admin. costs, unspecified





EU Development Cooperation: Landmarks & Structure

Historical Landmarks

- **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

Commission

Development and Cooperation – EuropeAid



Karel De Gucht Trade

Trade



Stefan FüleEnlargement,
European
Neighbourhood Policy

Enlargement



Kristalina Georgieva
International
Cooperation,
Humanitarian Aid,
Crisis Response

Humanitarian Aid and Civil Protection

Development and Cooperation -



Catherine Ashton Vice-President

High-Representative for Foreign Affairs and Security Policy

DIVISION OF LABOUR WITHIN THE EU



Humanitarian Aid and Civil Protection

DG ECHO

Pre-Accession

Programming:

EUROPEAN EXTERNAL ACTION
SERVICE
(EEAS)

with EuropeAid

Implementation:

DG for
Development
and Cooperation
EuropeAid





DG ELARG

FYRoM
Turkey
Albania
Bosnia &
Herzegovina
Serbia
Kosovo
Iceland

+ DG TRADE

European External Action Service

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

Commission

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).

EU DELEGATIONS

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



MFF - The Multiannual Financial Framework (2014-2020) Adoption of the new External Financing Instruments

- ➤ On 2 December 2013 the Council adopted the regulation on the MFF 2014-2020
- > 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





MFF - The Multiannual Financial Framework (2014-2020) Adoption of the new External Financing Instruments

Pre-accession instrument (IPA):	€11,699 million
European Neighbourhood Instrument (ENI):	€15,433 million
Development Cooperation Instrument DCI):	€19,662 million
Partnership Instrument (PI):	€955 million
Instrument for Stability (IfS):	€2,339 million
European Instrument for Democracy & Human Rights (EIDHR):	€1,333 million
Total	€51,419 million

 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

European Commission



16 countries €15.43 billion

3. DEVELOPMENT COOPERATION INSTRUMENT (DCI) - € 19,662 M

Commission

 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.

Latin America	€ 2,500 M
South Asia	€ 3, 813 M
North & South East Asia	€ 2, 870 M
Central Asia	€ 1, 072 M
Middle East	€ 545 M
Other countries	€ 251 M



Development Cooperation Instrument - DCI





Development and Cooperation -FuropeAid

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%)



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

<u>Civil Society Organisations & Local Authorities</u> (€ 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 MIt will focus on countries for which the EU has a strategic interest in promoting links with.

- Support for the Union's bilateral, regional and interregional 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



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





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 annuality 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



Cotonou Agreement

> Signed in 2000, concluded for a twenty-year period until 2020

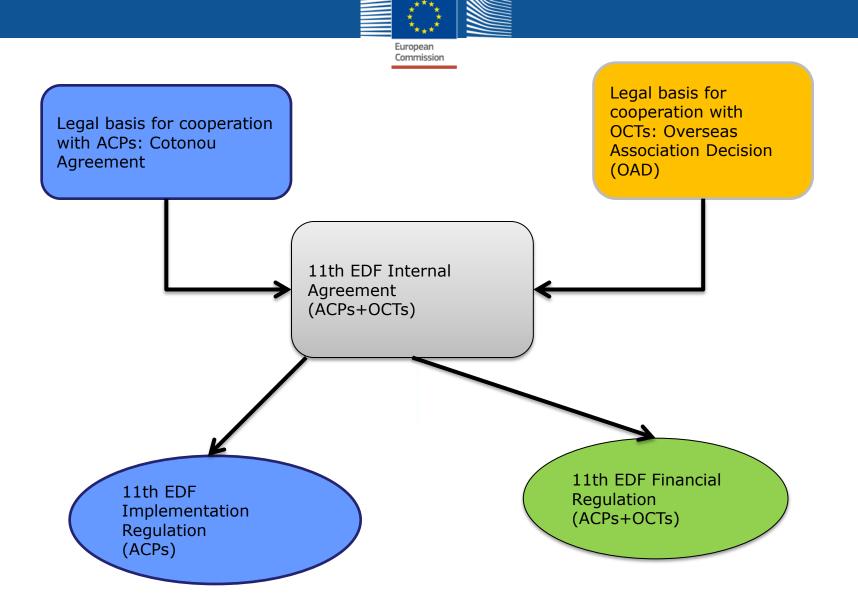
Commission

- > 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





11th EDF Legal Framework



11th EDF Internal Agreement

 Intergovernmental agreement between MS => Fixes EDF amount, financial envelopes, MS contribution keys and voting rights in the EDF Committee

Commission

- 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)



11th EDF Financial envelopes

European Commission

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

European Development Fund - EDF

European Commission

79 countries €29.09 billion







11th EDF Programming

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)

11th EDF Programming

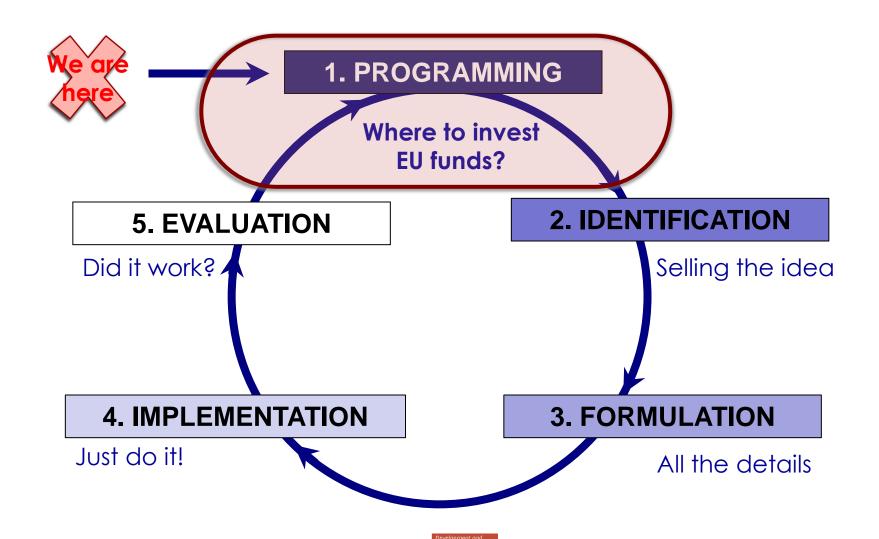
2. Regional level: support regional integration & cooperation

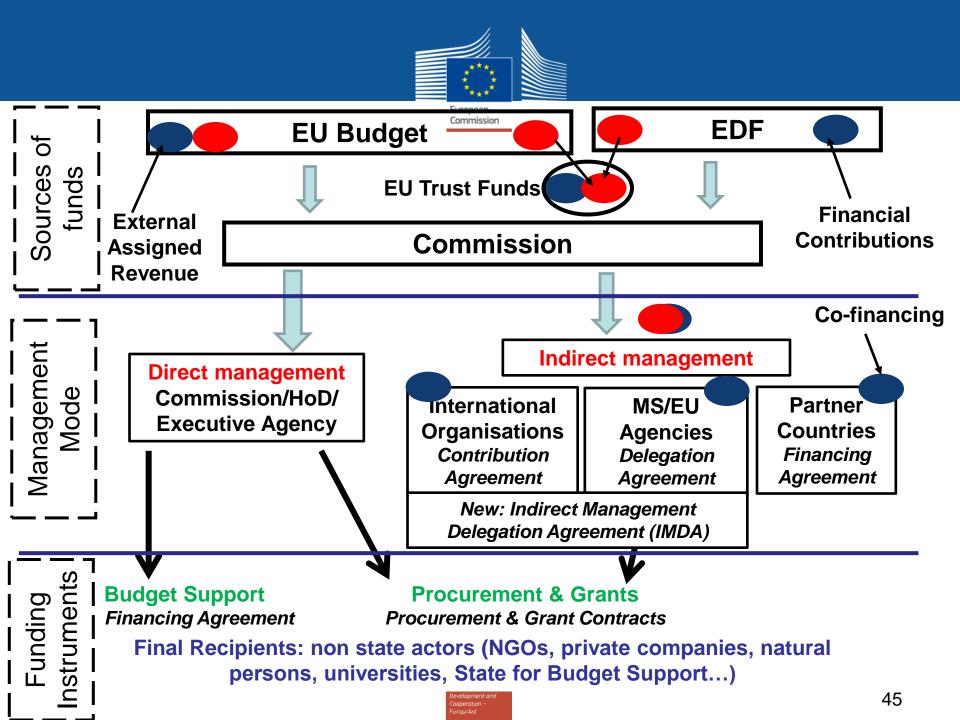
- Focus on (regional economic integration, peace and security, natural resources)
- Support few key objectives of regional organisations + tackle obstacles of regional integration => support also role of national authorities, specialised institutions, regional development banks
- ➤ Around €1bn on blending (mixing EU grants +loans) for infrastructure
- Regional Indicative Programmes (RIPs) in preparation, to be finalized end 2014/early 2015
- 3. Intra-ACP level: adress common challenges faced by ACP countries as a whole
 - Focus on key shared challenges where international cooperation brings added value



EU PROJECT CYCLE

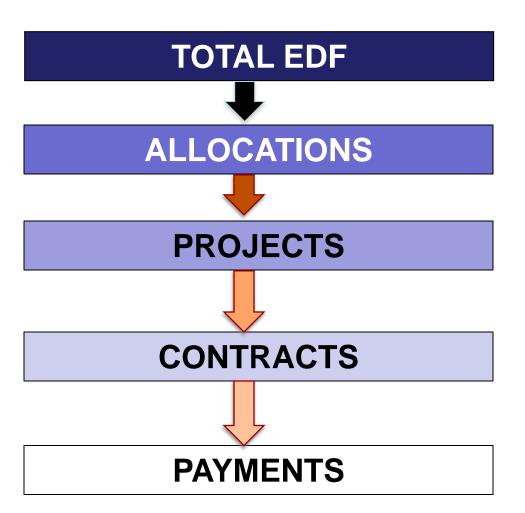






FUNDING "CASCADE"

Commission



10th EDF € 22.6 billion

Angola € 214 million

Demining; APROSOC; FAS IV, SANGA, etc

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





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



Background information about Angola

- ➤ 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



Instrumentos de Planeamento do Governo de Angola

European Commission





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.

Commission

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.



Commission

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.

Commission

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.

Water and Sanitation

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;

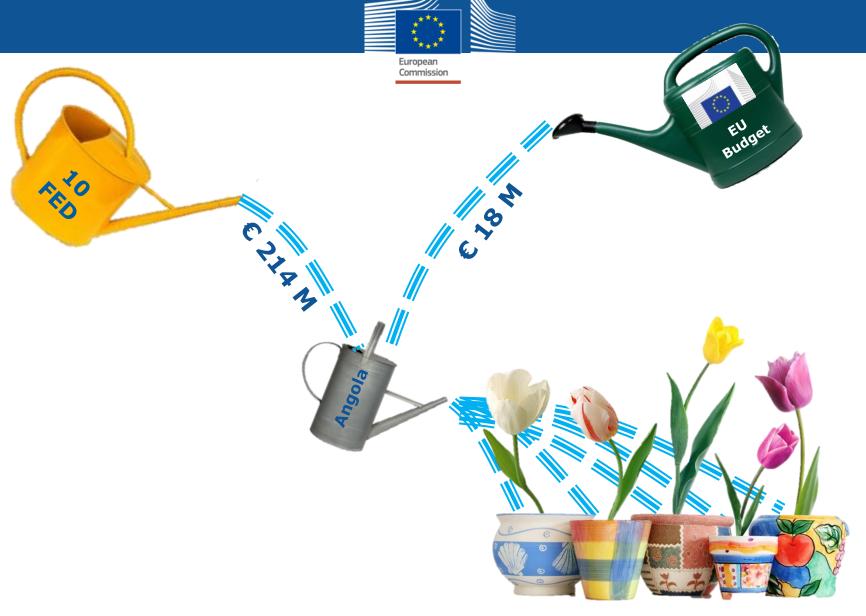
SO3) Develop specific skills to coordinate the various aspects of potable water supply and sanitation services management.



11th EDF - Financial overview Angola

TVET & HE	45 M €	21.4%
Sustainable Agriculture	84 M €	40%
Water and Sanitation	65 M €	31%
Measures in favour of civil society	6 M €	2.8%
Support measures	10 M €	4.8%
Total	210 M €	100%

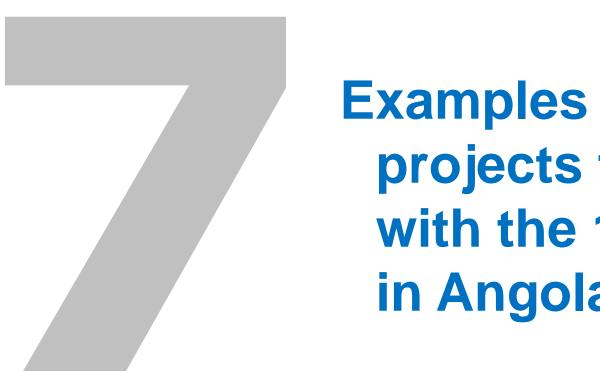
Angola receives EU funds from two different sources



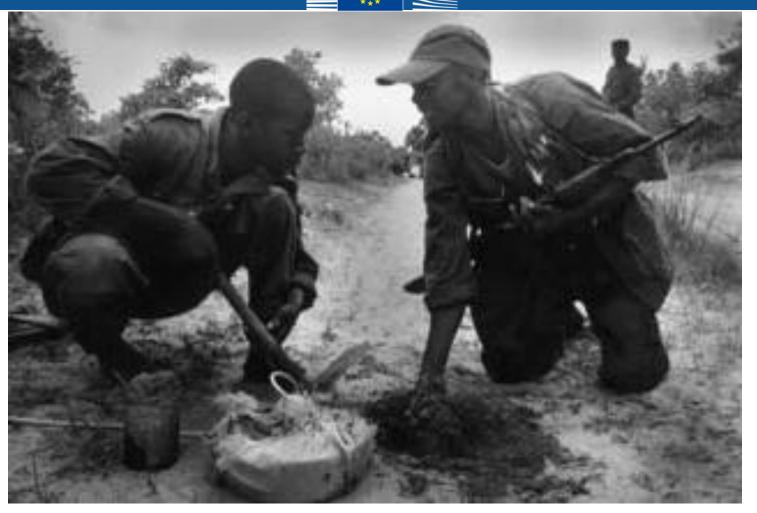
Final Recipients

Development and Cooperation -FuropeAid





Examples of projects funded with the 10th EDF in Angola



27 years of mine lying Mines from 22 countries (76 types)

Mine Ban Treaty (1997 "Ottawa" Treaty)

Angola became a State Party - 1 January 2003

Obligation to clear all Anti-Personnel mines by 2018)



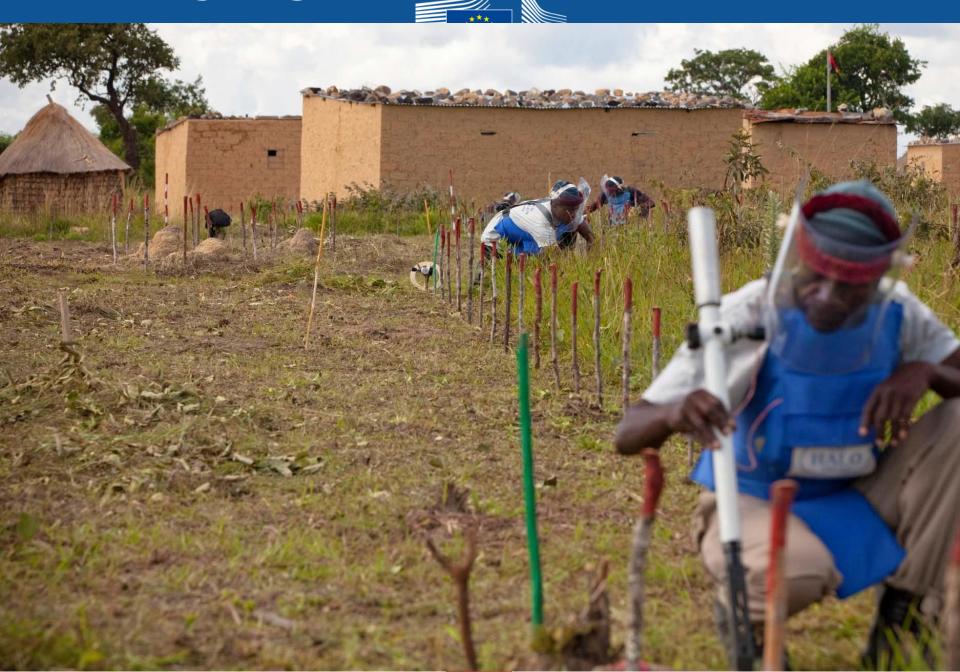






Mine Ban Treaty does not include Anti-Tank mines!





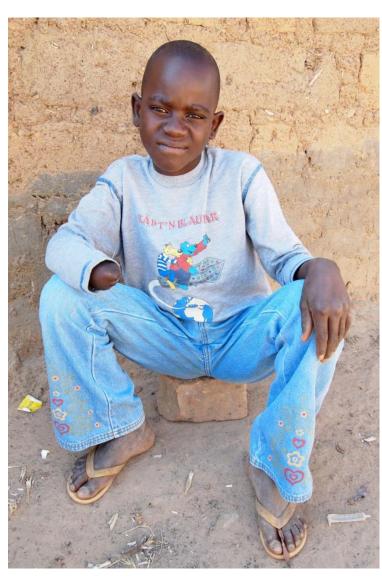














2,900 Suspected Hazardous Areas covering 1,300km²

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









Development ar Cooperation -

SANGA – EU Contribution € 3.5 M











Development and Cooperation -Funnsiand

FAS IV – EU Contribution € 30 M



Budget:

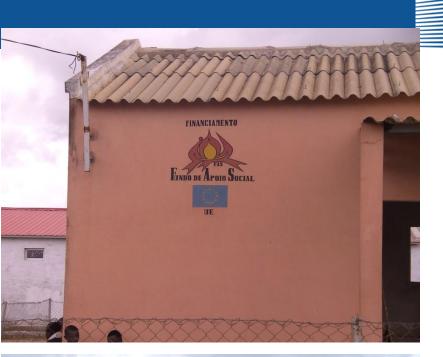
- World Bank: a credit of US \$81.7 million
- Government of Angola: US \$58.7 million
- ➤ EU: €30 million

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









Development and Cooperation -

FAS IV – EU Contribution € 30 M

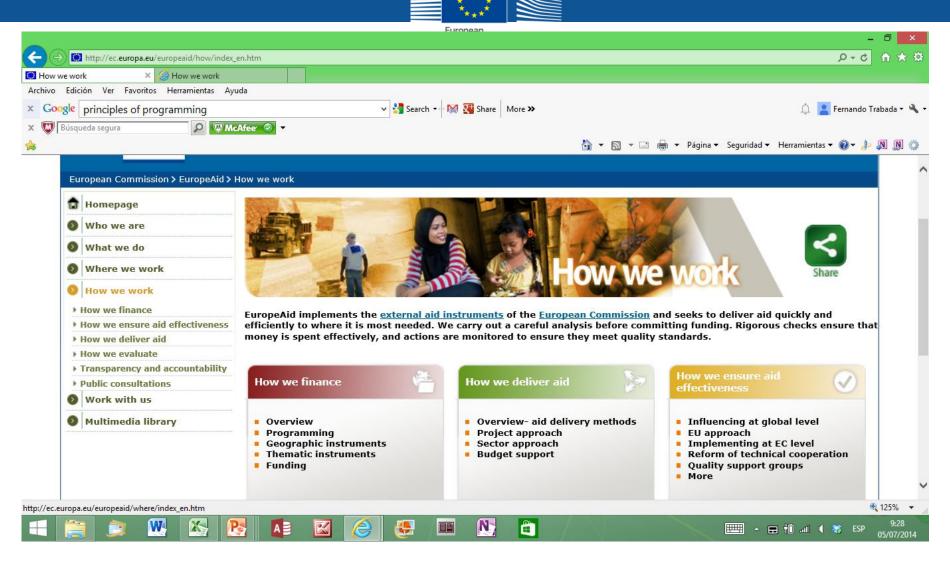
European Commission





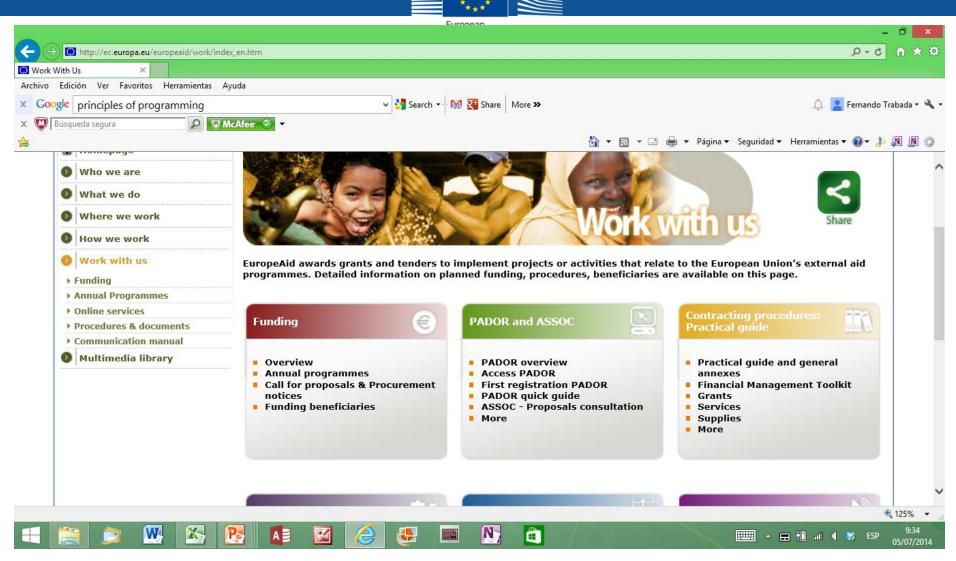


Where can I find information?



http://ec.europa.eu/europeaid/

Where can I find information?



http://ec.europa.eu/europeaid/



Thanks for your attention!