EUROPEAN COMMISSION
AND EUROPEAN EXTERNAL ACTION SERVICE

Report of the Public Consultation:
'What Funding for EU external action after 2013?'
1. Introduction

2. Methodological notes

3. General observations on the nature of the respondents

4. Executive summary

5. Key priorities and objectives of EU external action after 2013

   5.1. Overall objectives of EU external action

      5.1.1. Added value of financial intervention at EU level (question 1)

      5.1.2. Enhancing the impact of the EU's efforts for international security (question 3)

      5.1.3. Enhancing the EU's leading role in the provision of humanitarian assistance (question 4)

   5.2. Other priorities with an international dimension (question 2)

6. The future architecture for external action funding

   6.1. Geographic versus thematic instruments (question 5)

   6.2. Differentiating among partner countries (question 6)

   6.3. Like-mindedness and conditionality (question 7)

7. Increasing the leverage of EU external action

   7.1. Cooperation with financial institutions (question 9)

   7.2. Engaging with the business community (question 10)

   7.3. Joint programming and co-financing with EU Member States (question 11)

   7.4. Co-financing with beneficiary countries (question 12)

   7.5. Joint cooperation with emerging donors (question 12)

   7.6. Cooperation with international organisations and other bilateral assistance (question 13)
8. Improving effectiveness, credibility, coherence and efficiency through financial instruments

8.1. Simplification of instruments (question 8)

8.2. Performance evaluation (question 14)

8.3. Visibility of external action (question 15)

9. Other ideas and comments (question 16)
1. Introduction

The EU implements its external policies through financial instruments set out in Regulations. The maximum amount and the composition of foreseeable EU expenditure for each policy domain are set out in a Multiannual Financial Framework. These legislative bases will expire at the end of 2013. The European Commission will present its proposals for the scope, structure and outlook of the post-2013 Multiannual Financial Framework, including the legislative proposals for the external action financial instruments, in the course of 2011.

In view of these major legislative proposals, the Commission held a public consultation on future funding for EU external action between November 26th 2010 and January 31st 2011. This was organised by the Commission services (in particular the Directorates-General (DGs) responsible for Development and Cooperation, Humanitarian aid and Civil protection, Enlargement and Trade) and the European External Action Service (EEAS). This process was based on an online questionnaire accessible through Your Voice in Europe (the European Commission’s single access point to a wide variety of consultations, discussions and other communicative tools), the websites of the DGs organizing the consultation and of the EEAS, of EU delegations and representations… The online questionnaire was accompanied by a background paper 'What funding for EU external action after 2013' prepared by Commission and EEAS services involved. The aim of the public consultation was to gather views on specific aspects and options for future EU external action spending from interested persons and stakeholders.

This report aims to present the variety of ideas, comments, concerns and suggestions made by the various interested persons and stakeholders that contributed to the online consultation. In total, the Commission received 220 replies to the questionnaire. Additionally, 11 organisations provided a written contribution to clarify their position on the various topics of the consultation. Some of them explained that they decided not to complete the online questionnaire, because they found the format too limiting to reflect the complexity of the issues at stake. Without claiming to be exhaustive, the objective of this report is to identify - as objectively as possible - the main trends arising from the 220 contributions received. It should be noted that the aim of this report is simply to reflect the outcome of the consultation process and not to draw political conclusions.

For the sake of transparency, this report will be complemented by the online publication of the full text of all contributions received in the framework of the online consultation.
2. Methodological notes

The questionnaire was available in English and additionally in French, German, Spanish, Italian and Portuguese a few weeks after the launching date. It consisted of various multiple choice questions grouped in 15 different topics. Respondents had the opportunity to add written comments to each of these topics and, at the end of the questionnaire, they were invited to comment on any other aspect of external action instruments, mechanisms and programmes or to suggest other innovative lines of reflection on future funding for EU external action.

The report summarises and presents the quantitative appreciations of the public consultation and reflects the recurring views of the comments formulated, as well as individual comments of particular interest or relevance. It is worth noting that not all respondents replied to each of the questions. Therefore in presenting the quantitative results, all percentages refer to the proportion of people who replied to the actual question, rather than the percentage of all the replies to the consultation.
3. General observations on the nature of the respondents

The 220 contributions received to the public consultation reflect a broad and diverse spectrum representing the variety of structures, views and traditions characterising the external action community.

About 60% of the contributions come from organisations and the remaining 40% were sent by individuals.

<table>
<thead>
<tr>
<th>Categories of respondents *</th>
<th>Number</th>
<th>EU</th>
<th>non-EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>94</td>
<td>63</td>
<td>23</td>
</tr>
<tr>
<td>Organisations</td>
<td>126</td>
<td>78</td>
<td>46</td>
</tr>
<tr>
<td>* Business organisation or private company</td>
<td>20</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>* Non-governmental organisation (NGO)</td>
<td>71</td>
<td>46</td>
<td>24</td>
</tr>
<tr>
<td>* National public administration</td>
<td>17</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>* Regional public body/organisation or public authority</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>* Research institute or think thank</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>* International organisation</td>
<td>5</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>* Other category</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220</strong></td>
<td><strong>141</strong></td>
<td><strong>69</strong></td>
</tr>
</tbody>
</table>

* Not all respondents mentioned their country of residence/establishment

These individuals and organisations cover a wide geographic spread in both EU and non-EU countries. Contributions were received from 59 different countries, with 141 contributions (64%) originating in EU countries, and 69 contributions (31%) from third countries representing a wide variety of EU partners in particular in Asia and Latin America, African, Caribbean and Pacific (ACP) countries, European Neighbourhood and Enlargement countries.

<table>
<thead>
<tr>
<th>Country of residence/establishment</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>34</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>16</td>
</tr>
<tr>
<td>France</td>
<td>15</td>
</tr>
<tr>
<td>Netherlands</td>
<td>13</td>
</tr>
<tr>
<td>Spain</td>
<td>12</td>
</tr>
<tr>
<td>Germany, Italy</td>
<td>9</td>
</tr>
<tr>
<td>Romania</td>
<td>5</td>
</tr>
<tr>
<td>Austria, Czech Republic, Georgia, Israel, Philippines, Sri Lanka, Switzerland</td>
<td>4</td>
</tr>
<tr>
<td>Denmark, Indonesia, Lebanon, Liberia, Turkey, United States</td>
<td>3</td>
</tr>
<tr>
<td>Albania, Bulgaria, Ecuador, Finland, Greece, Ireland, Morocco, Portugal, Senegal, Sweden, Thailand, Tunisia, Ukraine</td>
<td>2</td>
</tr>
<tr>
<td>Algeria, Armenia, Benin, Bosnia and Herzegovina, Botswana, DR Congo, Croatia, Cyprus, Ecuador, Egypt, Ghana, Hungary, Kyrgyz Republic, Latvia, Luxembourg, Mali, Malta, Mauritania, Mauritius, New Zealand, Norway, Russia, Serbia, Sudan, Zimbabwe</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>210</strong></td>
</tr>
</tbody>
</table>
4. Executive summary

EU added value:
A majority of the respondents (around 70%) confirm that EU financial intervention provides a substantial added value in the main policy areas supported through EU financial instruments for external action. The criterion of EU added value is put forward by many respondents as the main driver for the future: the EU should exploit its comparative advantage linked to its global field presence, its wide-ranging expertise, its supranational nature, its role as facilitator of coordination, and to the economies of scale. It is underlined that the extent to which the EU will be able to implement its external policies with success will depend on the design and implementation of the next financial instruments.

Differentiation:
Nearly all respondents (92%) support a more differentiated approach, tailored to the situation of the beneficiary country, based on sound criteria and efficient data collection, to be used as a way to increase the impact of EU financial instruments. Regarding the possible criteria for differentiation, the country's level of development and of economic and social progress, political criteria (in particularly commitment to sound public policies and human rights) and the country's degree of vulnerability are supported by a vast majority (over 70% of respondents). The idea that differentiation could be driven by EU's own interests attracts more disagreement (46%) than support (40%).

EDF budgetisation:
The integration of the European Development Fund into the EU budget ('EDF budgetisation') is supported by 53% of respondents as a mean to increase coherence, accountability, democratic scrutiny, visibility and efficiency of EU development policy. However, this is conditioned to keeping the same amount for EU development funding and ring-fencing the level of ACP funding, and safeguarding the specific features of EU-ACP relationship; reservations are also expressed regarding the risk of loss of predictability regarding ACP funding in case of 'budgetisation'.

Disasters and humanitarian aid:
Regarding humanitarian assistance, given the rise of conflicts and disasters, a majority of stakeholders support enhancing the leading role of the EU in the provision of humanitarian assistance, in particular through reinforcing coordination with other donors and through facilitating the transition from emergency relief to recovery, reconstruction and longer-term assistance.

Flexibility:
Many respondents propose increased flexibility margins within Heading 4 and the EU budget as a whole, to facilitate resource mobilisation to tackle disasters or global crises.

Peace and security:
Regarding EU external action on peace and international security, strengthening of EU peace-building and crisis preparedness is mentioned as a primary objective for the next Multiannual Financial Framework. The importance of investing in long-term stability, human

1 i.e. peace and security, poverty reduction, humanitarian aid, investing in stability and growth in enlargement and neighbourhood countries, tackling global challenges, promoting EU and international standards and values, and supporting growth and competitiveness abroad
rights and economic development is also underlined by many respondents. The Instrument for Stability is highly valued and many respondents ask the EU to enhance its potential.

**Leverage/innovative financing:**
Regarding the means to increase the leverage of EU external funding, a majority of respondents support the reinforcement of cooperation with European, Member States' and international financial institutions. However, in their comments, a significant number of respondents call for caution regarding the objectives and expected impact of blending, the implementation modalities (risk of complexity, of lack of transparency and accountability, necessity of monitoring and evaluation), and the threat of loss of control and visibility for the EU. The vast majority of respondents consider that private sector is a driver for economic development and sustainable growth, and support a more extensive EU engagement with the business community as a partner, including in the policy dialogue, under certain conditions, such as ensuring accountability and respect of core standards, setting fair prices and cooperating with local actors. They ask the EU to increase its capacity-building efforts towards local companies, in particular SMEs. Reinforcing cooperation with private aid foundations is also seen as a way to increase the leverage of EU funding. A significant amount of contributions also advocate the development and implementation of innovative financing mechanisms such as taxes on airlines tickets and on financial activities/transactions.

**External/internal policies:**
Over 2/3 of respondents believe that EU interests are sufficiently taken into account in its external action, and that the latter should be based to a larger extent on EU values and principles, and on development objectives of the partner countries. Inversely, a minority considers that EU external action should concentrate more on the EU's own interests in the global economy, particularly towards emerging economies. Regarding EU domestic priorities with an important international dimension, 'macro-economic/financial stability and economic growth' is identified as the most important, followed by 'energy, resource efficiency and climate change' and 'employment and social issues'.

**Simplification:**
Regarding simplification of instruments, as concerns the balance between geographic and thematic instruments, a majority of stakeholders (56%) considers that the EU should continue organising its programmes mainly on a geographic basis. A vast majority (87%) favours a balanced set of instruments combining both geographic and thematic programmes, the two approaches being complementary. A reinforcement of global thematic programmes is also largely supported (67%). Opinions are mixed regarding a review of EU thematic programmes and a possible reduction in number; many fear that this could imply a decrease in the overall amount available for thematic action, and rather call for a simplification of the rules governing access and implementation of thematic funding. Several thematic issues are highlighted as important such as the reinforcement of the European Instrument for Democracy and Human Rights, climate financing or the current DCI thematic programmes. Increased flexibility of the geographic limits of EU instruments is supported by a significant majority of respondents as a way to respond to interregional challenges. A strong request is also to simplify procedures for accessing EU funds regarding the administration of calls for proposals.

A majority of respondents agree that joint programming and co-financing with Member States can increase the impact and the coherence of EU external action, simplify the delivery
of aid and reduce overall transaction costs. Many respondents stress however that it should not imply heavier administrative requirements. A narrow majority approves the idea of anchoring joint programming and division of labour in a piece of EU legislation.

**Co-financing with beneficiary countries** is supported by a majority of respondents (54%) as a way to enhance ownership and responsibility of partners. However, many express their opposition or reservations, depending on the modalities and conditions of co-financing, underlining that this approach should be tailored to the situation in each country, and that such co-financing requirements should not exclude EU development support to some countries. A majority of respondents support **joint cooperation with emerging donors** to exploit the comparative advantages of each partner and raise awareness on international commitments (such as the Millennium Development Goals, the Aid Effectiveness agenda or ODA criteria). However, several note that the scope and nature of triangular cooperation needs to be decided on a case-by-case basis and that it should not be compulsory.

**Cooperation with international organisations and other bilateral assistance** is perceived as useful by a vast majority of respondents, to increase legitimacy, quality of aid delivery, economies of scale and effectiveness, and exploit the comparative advantages of each actor. However, several also point to the administrative costs, the lengthy procedures and the lack of transparency that it can imply. The lack of guarantees on accountability on EU funding and of clarity on respective responsibilities is a matter of concern for many contributors.

Regarding **like-mindedness and conditionality**, there is wide support among respondents for exploring conditionality based on the beneficiary country's respect for human rights, minorities, good governance and diversity of cultural expressions (78%), or on the quality of its policies and of its ability and willingness to implement sound policies (63%). However, a majority of respondents is critical towards basing external cooperation on the EU's own interests.

A vast majority of respondents support a stronger focus on **monitoring and evaluations systems** in the future instruments and in projects/programmes implementation. To increase transparency and traceability of EU funds, many stakeholders ask the EU to make information available regarding aid flows/dischbursements, and evaluation/impact of the current financial instruments. Rather than creating additional procedures, respondents support strengthening recipients’ in-country accountability mechanisms, recognizing internal monitoring and evaluations by implementing partners, and increasing flexibility.

As concerns the means to enhance the **visibility of EU external funding**, a majority of stakeholders support increasing efforts for information and communication activities, in particular in beneficiary countries; however EU visibility appears to be better served by effective policies, strategies and presence in third countries; given the limited resources, the focus should be on more effective use of the existing resources available for communication. Several respondents link visibility to accountability towards EU taxpayers and beneficiaries. The ideas of reinforcing the EU's coordinating role among other donors and of ensuring that implementing partners give more visibility to EU funding also obtain strong support from stakeholders.

Regarding **additional ideas and comments**, many stakeholders support strong EU leadership in the **aid effectiveness agenda** in preparation for the High Level Forum in Busan in 2011, and underline that international commitments in this area should be reflected in the next
funding instruments and be promoted on the global stage. The opportunities provided by the creation of the new Directorate-General for Development and Cooperation (DEVCO) and by the European External Action Service to increase coherence of EU development policy and external action are underlined by a number of respondents. Many stakeholders underscore the importance of civil society organisations and ask the EU to enhance and institutionalise their participation in decision-making processes, to earmark and increase funds for civil society, and ensure predictability and regularity of this funding. Other ideas underlined are increased support to local producers and suppliers and to enabling factors for inclusive growth, and the emphasis on the role of culture in economic and social development which should be fully taken into account in the next instruments.
5. Key priorities and objectives of EU external action after 2013

5.1. Overall objectives of EU external action

5.1.1. Added value of financial intervention at EU level

Question 1

The Treaty defines a number of overall objectives for EU external action. Within this framework, the EU may choose to pursue a set of more specific, cross-cutting areas to be supported through its financial instruments.

Answers

Do you think that EU action through financial intervention provides substantial added value in the following areas:

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. preserving peace, preventing conflicts and strengthening national and international security</td>
<td>31,19%</td>
<td>45,41%</td>
<td>11,01%</td>
<td>1,83%</td>
<td>10,55%</td>
</tr>
<tr>
<td>b. reducing poverty and promoting social cohesion abroad</td>
<td>28,90%</td>
<td>46,33%</td>
<td>11,01%</td>
<td>0,92%</td>
<td>12,84%</td>
</tr>
<tr>
<td>c. investing in long-term stability and inclusive growth in EU enlargement and neighbourhood countries</td>
<td>20,64%</td>
<td>47,71%</td>
<td>8,72%</td>
<td>0,46%</td>
<td>22,48%</td>
</tr>
<tr>
<td>d. tackling global challenges such as climate change, energy security or financial stability</td>
<td>20,18%</td>
<td>47,71%</td>
<td>11,47%</td>
<td>1,83%</td>
<td>18,81%</td>
</tr>
<tr>
<td>e. supporting vulnerable populations outside the EU following natural and man-made disasters</td>
<td>33,94%</td>
<td>41,74%</td>
<td>5,96%</td>
<td>0,92%</td>
<td>17,43%</td>
</tr>
<tr>
<td>f. supporting growth abroad to enhance the EU competitiveness agenda and creating opportunities for trade and investment</td>
<td>11,93%</td>
<td>41,74%</td>
<td>14,22%</td>
<td>4,59%</td>
<td>27,52%</td>
</tr>
<tr>
<td>g. promoting EU and internationally agreed political, economic, social and environmental norms, standards and values</td>
<td>18,81%</td>
<td>54,13%</td>
<td>11,01%</td>
<td>1,83%</td>
<td>14,22%</td>
</tr>
</tbody>
</table>

For all seven policy areas a majority of the respondents indicate that they either "strongly agree" or "agree" that EU action through financial intervention provides a substantial added value. "Preserving peace, preventing conflicts and strengthening national and international security", "reducing poverty and promoting social cohesion abroad" and "supporting vulnerable populations outside the EU following natural and man-made disasters" are pointed out by the biggest majority of respondents as fields of intervention where the EU added value
is strongest. The smallest majority is for "supporting growth abroad to enhance the EU competitiveness agenda and creating opportunities for trade and investment".

Comments

Many contributors point out that any future financing for external action must start with the **Lisbon Treaty** that provides the principal framework governing the EU’s relations with the outside world. A recurring view in this regard is that EU external action must be fully based on and inspired by the promotion and protection of EU values, such as the respect for human rights, freedom, democracy and the rule of law.

Several stakeholders mention that the EU has a considerable added value in **peace-building and conflict prevention**, because this policy field is key for the achievement of all the other objectives mentioned (see further 5.1.2.)

In the field of **development policy** the Lisbon Treaty indicates that the primary objective is poverty eradication (Article 208 of the Treaty on the Functioning of the European Union (TFEU)). Respondents repeatedly state that the allocation of funds should therefore be based on sustainable development criteria and needs, ensuring proper appropriation and ownership of the partner country, and not on EU strategic interests. They stress that EU efforts to eradicate poverty should go beyond economics and tackle the root causes of poverty in the partner country, namely inequality, discrimination, exclusion and vulnerability. Several contributions recall that overall progress towards EU international commitments (target of 0.7% of GNI and achievement of Millennium Development Goals (MDGs) by 2015) are off track; they state that the EU should lead by giving the example, that adequate levels of funding for development must be ensured, and that development aid expenditure should be limited to ODA expenditure according to current DAC criteria, which should not be reviewed and broadened. In addition, respondents indicate that the reforms of EU external action, in particular the implementation of the EEAS, should not drain resources from development objectives.

Some respondents explain that investing in inclusive growth in **EU enlargement and neighbourhood countries** is of crucial importance not only for the financial, social and political stability of these countries, but also for EU interests. Further, it is indicated that the European Neighbourhood Policy should tackle social exclusion of vulnerable populations.

Some respondents stress that migration and global health should be added to the list of **global challenges** given as examples in the questionnaire.

Several respondents plead in favour of sufficient funding for **humanitarian aid** and stress that the allocation of these funds should be based – above all – on humanitarian needs. They generally laud EU efforts in this field, insisting on EU accountability, on the efficient and timely spending of funds, on the approach based on needs and principles, and on the attention given to forgotten crises and unforeseen emergencies (see further 5.1.3.).

According to a number of respondents, further resources need to be allocated to creating opportunities for **trade and development**. The emphasis is put on inclusive economic growth as a way to improve social outcomes. They explain that focusing on growth stimulates efforts in partner countries to build up adequate domestic infrastructure. Respondents stress that this
growth must be based on decent work, respect for fundamental labour standards, social
dialogue and a sustainable job market.

The criterion of **EU added value** is put forward by many respondents as the main driver for
future external action financing decisions. They underline that in the next multi-annual
financial framework the EU should exploit its comparative advantage in terms of its global
field presence, its wide-ranging expertise, its role as facilitator of coordination, its
supranational nature and to the economies of scale. However, respondents stress that the
scope of the EU’s added value will depend on the design and implementation of the
instruments. Among the key elements mentioned in this regard are a meaningful engagement
of all relevant actors, adequate mainstreaming of human rights and democracy issues,
transparency, focus on impact, pro-poor policies, complementarity and coherence. Regarding
the latter, many stakeholders refer to the importance of Policy Coherence for Development
(PCD) that is now a Treaty obligation (see further 5.2.).
5.1.2. Enhancing the impact of the EU's efforts for international security

Question 3

Preserving peace, preventing conflicts and strengthening international security are objectives for EU external action defined by the Lisbon Treaty (Article 21(2) of the TEU).

Answers

How, in your view, could the impact of EU funding be enhanced in this respect?

<table>
<thead>
<tr>
<th>Option</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Through active diplomacy aimed at conflict prevention in vulnerable countries</td>
<td>37,16%</td>
<td>45,41%</td>
<td>7,34%</td>
<td>1,38%</td>
<td>8,72%</td>
</tr>
<tr>
<td>b. Through strengthening links with key strategic partners with whom the EU can co-operate on security issues</td>
<td>25,23%</td>
<td>50,46%</td>
<td>6,42%</td>
<td>2,75%</td>
<td>15,14%</td>
</tr>
<tr>
<td>c. Through investing in the EU's peace-building and crisis preparedness</td>
<td>33,49%</td>
<td>43,58%</td>
<td>8,26%</td>
<td>0,46%</td>
<td>14,22%</td>
</tr>
<tr>
<td>d. Through a stronger focus on the EU's security and defence capabilities</td>
<td>8,26%</td>
<td>27,06%</td>
<td>38,07%</td>
<td>8,72%</td>
<td>17,89%</td>
</tr>
<tr>
<td>e. Through investing in long-term stability, human rights, economic development</td>
<td>60,09%</td>
<td>30,73%</td>
<td>2,75%</td>
<td>0,92%</td>
<td>5,50%</td>
</tr>
</tbody>
</table>

A vast majority of the respondents put forward 'investing in long-term stability, human rights and economic development' as an effective tool to increase the impact of EU funding for preserving peace, preventing conflicts and strengthening international security (90.83% either agree or strongly agree on this option). The other options also receive wide support, except the 'stronger focus on the EU’s security and defence capabilities' on which opinions differ and on which the biggest part of the respondents disagrees that this could increase the impact of EU funding.

Comments

Many respondents highly value active diplomacy aimed at conflict prevention in vulnerable countries. However, several criticise the absence of a strong diplomatic EU bloc and plead for reinforcing EU coordination, common positions and diplomatic efforts. Other contributions mention that humanitarian aid has to be complemented by diplomacy to ensure the respect for humanitarian principles and the rights of affected populations.

Strengthening the links with key strategic partners to cooperate on security issues gets the support of many respondents as an effective way to enhance the impact of EU funding. Many respondents consider that the key strategic partners include international NGOs and local civil society organisations. They encourage the EU to strengthen multi-stakeholder cooperation for peace-building and preventing conflicts.
Various stakeholders refer to **EU peace-building and crisis preparedness** as one of the primary objectives for the next Multiannual Financial Framework. In their contributions, reference is made to the need to strengthen rapid reaction mechanisms, set up early warning systems to prevent the escalation of conflicts, and invest in research for developing new models of sustainable conflict resolution and coordinate the short- and long-term components of the EU’s financial instruments. Regarding the latter aspect, respondents refer to the need to safeguard the key advantages of the Instrument for Stability (IfS), namely the speed of delivery and direct financing. The Instrument for Stability (IfS) is highly valued, and many respondents urge the EU to enhance its potential. A couple of respondents propose to develop the IfS’s crisis preparedness component into a true peace-building instrument, able to fund measures beyond the short-term crisis-driven scope of the IfS towards a more proactive and preventive EU approach. Some respondents stress that coordination between the EU and its Member States on peace-building, crisis preparedness and reconstruction should be enhanced through an adequate framework for action. Several stakeholders note that effective peace-building and crisis preparedness requires a multi-actor approach, including a reinforced cooperation with civil society organisations that have significant expertise in working directly with local communities.

Many respondents express their concern with the perceived risk of instrumentalisation/politicisation and draining resources from EU humanitarian and long-term development aid for **security and defence** purposes. They state that aid should be driven by needs and not by global security, strategic or visibility concerns, and that crisis management and security should be served by instruments separated from those for development aid and humanitarian assistance. In this reasoning, the option of a stronger focus on EU’s security and defence capabilities threatens to further erode the civilian nature of humanitarian/development aid, and several contributors therefore note that a strengthening of civilian crisis management should be preferred over further investing in military capacities. Other contributors stipulate that EU should reinforce its security and defence capabilities to tackle the root causes of conflicts and focus on areas where it can make a significant difference, including security sector reform (SSR), disarmament, demobilisation and reintegration (DDR), fighting organised crime and trafficking, and tackling the spread of small arms and light weapons (SALW). It is moreover pointed out by some respondents that security is country-specific, implicating that the EU should focus first on national security, with international security as a final objective.

Numerous individuals and organisations stress the importance of investing in **long-term stability, human rights and economic development** for promoting international security. They emphasise that long-term stability requires a multi-dimensional approach, incorporating diplomacy, economic development, trade, migration, good governance, social inclusion, education, culture and environmental issues. According to a number of respondents, promoting civil society is of key importance because of its key role in enhancing democratic governance, stability, human rights and inclusive growth.

Some stakeholders express the need for a **holistic and coherent approach** encompassing the various dimensions mentioned above and making more effective use of the existing sources of funding. Others emphasise the importance of the EU’s commitment to Policy Coherence for Development when the EU engages in international security issues.
5.1.3. Enhancing the EU's leading role in the provision of humanitarian assistance

Question 4

Humanitarian needs continue to rise as a result of armed conflicts and of the increasing number and severity of natural and man-made disasters.

Answers

In your view, how should the EU enhance its leading role in the provision of humanitarian assistance to ensure best value for the resources devoted to this goal?

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. by strengthening coordination with EU Member States and other donors</td>
<td>44,95%</td>
<td>44,04%</td>
<td>2,29%</td>
<td>0,92%</td>
<td>7,80%</td>
</tr>
<tr>
<td>b. by improving the transition from emergency relief to recovery and reconstruction and longer-term assistance</td>
<td>50,46%</td>
<td>38,53%</td>
<td>3,21%</td>
<td>0,00%</td>
<td>7,80%</td>
</tr>
<tr>
<td>c. by balancing coverage to include major disasters as well as potentially forgotten crises</td>
<td>26,61%</td>
<td>51,38%</td>
<td>10,09%</td>
<td>0,46%</td>
<td>11,47%</td>
</tr>
<tr>
<td>d. by exploring new strategies and cost effective ways to provide humanitarian assistance</td>
<td>31,65%</td>
<td>52,29%</td>
<td>3,67%</td>
<td>1,83%</td>
<td>10,55%</td>
</tr>
</tbody>
</table>

A significant majority of stakeholders agree with all four options as a way to ensure the best value for the resources devoted to humanitarian assistance. The most outspoken support goes to 'strengthening coordination with EU Member States and other donors' and 'improving the transition from emergency relief to recovery and reconstruction and longer-term assistance'.

Comments

Various respondents forecast an increase in the number and frequency of armed conflicts and natural and man-made disasters, resulting from the cumulative effect of climate change, demographic change and increased urbanisation, land use pressure and the growing scarcity of natural resources. They note that the challenge will be to have more programmes, a wider spread in diverse geographical areas and a longer timeframe for humanitarian aid.

A number of stakeholders emphasise that the effectiveness, readiness and impact of humanitarian aid can only be enhanced by strengthening the coordination with EU Member States and other donors in both the implementation on the ground and the decision-making stage. They regret that there is still too much duplication and incoherence between European and international humanitarian relief efforts. The contributors add that a context-specific approach is crucial for the success and sustainability of interventions and
therefore that the EU needs closer ties with regional organisations and relevant Civil Society Organisations (CSOs), who can ensure better implementation and greater government accountability through their field knowledge and their close liaison with local communities.

Reinforced coordination and consultation of the cooperation instruments of the EU, Member States and other donors is seen by a high number of stakeholders as equally important to enable and smoothen the transition from emergency relief to recovery, reconstruction and longer-term assistance. These respondents point to the risk of loosing development gains due to poor emergency responses and rehabilitation programmes and vice versa. They stress that the EU must seize the opportunity offered by the new financial perspectives to examine the inter-linkages between these different policy areas and close the gap in funding between humanitarian and development programmes. Respondents enunciate that while the approach on Linking Relief, Rehabilitation and Development (LRRD) offers a policy framework for enhanced sustainability of humanitarian aid, financial support is insufficient and ineffective. They state that more needs to be done to coordinate programming and implementation efforts, particularly in cross-cutting areas, such as Disaster Risk Reduction (DRR). According to some respondents the latter should be fully integrated in the recovery strategies.

A needs-based approach is seen by numerous contributors as a pre-requisite for effective humanitarian aid. Many of them highly esteem ECHO's balanced coverage including both major disasters as well as potentially forgotten crises. They stress that this is directly linked to the independence of ECHO from politically driven external action which must be safeguarded in the future. Several stakeholders express the need for additional funding for humanitarian assistance and for more staff for ECHO that is, according to them, currently overstretched.

Many respondents point to the need for the EU to explore new strategies and cost effective ways to provide humanitarian assistance. Among the ideas mentioned are the set up of an international organisation under the auspices of the UN to organise interventions and ensure rapid response, a humanitarian facility funded by a solidarity tax on financial transactions and by the cumulated wealth of the banking system, effective needs assessment combined with a well-functioning monitoring and evaluation mechanisms, and more flexibility to allow for direct EU support to local actors in highly fragile contexts with serious security concerns. Other contributors propose to put a stronger focus on capacity-building for governments, civil society and the private sector. They further stipulate the need to involve other actors, such as trade unions, the military (for early recovery and reconstruction), volunteers, financial institutions, local and regional European authorities, EU overseas countries and territories, etc. Linked to this, a number of stakeholders suggest including civil society as eligible partners for all priorities under security related instruments. One respondent points to the difficulty of focusing on 'cost effective ways', as mentioned in the question, because low maintenance for donors may not be value for money for beneficiaries. In general, a couple of respondents criticise the shortage of EU funding for humanitarian needs, which is demonstrated by the fact that ECHO has since several years consistently used the Emergency Aid Reserve to fulfil its tasks.

A number of respondents state that many unsustainable results - and thus unnecessary expenses - can be avoided by transcending the humanitarian agenda. This means investing in and building synergies with other interrelated policy areas such as early warning systems, disaster preparedness, risk reduction, early recovery and rapid response mechanisms to increase resilience and limit the impact of disasters. Other contributors urge the EU to explore
strategies that could render humanitarian aid more conflict-sensitive by coordinating with policies of conflict prevention and peace-building in order to break the vicious circle of conflict and disaster. Other policy areas enumerated by respondents where synergies with humanitarian aid are important include environmental protection and climate change, civil protection (based on humanitarian needs assessment) with special attention for vulnerable and marginalised persons, and economic growth. Finally, contributors stress that humanitarian aid and relief should strictly respect humanitarian law and principles, such as impartiality, independence and neutrality.
5.2. Other priorities with an international dimension

Question 2

In addition to the external action priorities listed in the Treaty, the EU has identified other priorities, in the Europe 2020 strategy in particular, which have an important international dimension. These include issues such as financial stability, promotion of trade and investment, boosting research and innovation, employment and social issues (inclusive growth and decent work), energy, resource efficiency and climate change, counter-terrorism, managing migration, disaster prevention and preparedness, promoting good governance in tax matters and support domestic revenue mobilisation, etc... The prioritisation of these goals can have an implication for the prioritisation of EU funding.

Answers

Do you consider the EU interests are sufficiently taken into account in its actions abroad?

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Nearly 70% of interested persons and stakeholders believe that **EU interests are sufficiently taken into account in its external action.** Their additional comments to this question shed greater light: many respondents indicate that they believe that EU foreign policy is already sufficiently driven by the EU's own interests and should be based to a larger extent on the EU’s broader values and principles (such as democracy, rule of law, peace, equality, human rights, etc.) as well as the development objectives of the partner countries. In the long term, some respondents explain, this increased emphasis on values and development objectives will contribute to the EU's interests of a stable, secure and prosperous global environment. A minority, to the contrary, states that EU external action should move beyond merely assistance and concentrate more on the EU's own interests in the global economy, particularly in its policies towards emerging economies.
In this regard, which of the following areas do you consider as the main priorities? Please rank the five main priorities among the areas below in descending order of importance.

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of respondents ranking area as:</th>
<th>Value *</th>
<th>% Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st priority</td>
<td>2nd priority</td>
<td>3rd priority</td>
</tr>
<tr>
<td>macro-economic and financial stability, economic growth</td>
<td>41</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>promotion of trade and investment</td>
<td>23</td>
<td>33</td>
<td>18</td>
</tr>
<tr>
<td>addressing regulatory barriers</td>
<td>13</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>supporting EU SMEs</td>
<td>13</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>boosting research and innovation</td>
<td>21</td>
<td>29</td>
<td>14</td>
</tr>
<tr>
<td>employment and social issues (inclusive growth and decent work)</td>
<td>32</td>
<td>30</td>
<td>24</td>
</tr>
<tr>
<td>education and culture</td>
<td>33</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>energy, resource efficiency and climate change</td>
<td>36</td>
<td>33</td>
<td>17</td>
</tr>
<tr>
<td>improved transport connections</td>
<td>19</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>environment protection</td>
<td>29</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>counter-terrorism</td>
<td>13</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>managing migration</td>
<td>10</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>disaster prevention and preparedness</td>
<td>26</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>food security</td>
<td>35</td>
<td>27</td>
<td>18</td>
</tr>
<tr>
<td>promoting good governance in tax matters and support domestic revenue mobilisation</td>
<td>17</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>4870</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* the value of each area was calculated as follows: (# 1st priority * 5) + (# 2nd priority * 4) + (# 3rd priority * 3) + (# 4th priority * 2) + # 5th priority
When asked to prioritise among the different areas, most interested persons and stakeholders indicated 'macro-economic and financial stability, economic growth' followed by 'energy, resource efficiency and climate change' and 'employment and social issues (inclusive growth and decent work)'. The three enumerated areas that received least priority were (in descending order of importance) 'addressing regulatory barriers'; 'supporting EU SMEs' and 'counter-terrorism'.

**Comments**

Several contributors hold the opinion that the prioritisation among the various options depends largely on the context and the specific characteristics of the region targeted by EU external action. In this same reasoning, priorities should be tailor-made and defined in close coordination with the respective partner countries.
Many respondents signal that the eradication of poverty should be the priority of EU external action. Given the extensive list of priorities, they stress the importance of **Policy Coherence for Development (PCD)**, which promotes at the same time the diversity, coordination, consistency and complementarity of all EU external cooperation tools, policies, resources and actors. In their view, development policy will never be sufficient for an objective as vast as the eradication of poverty and therefore it must be supported – or, at minimum, not harmed - by the totality of EU and Member States' local, national and regional policies in all directly or indirectly related domains. Respondents pinpoint to the necessity of a pragmatic approach and of a strong political leadership, because the lack of coherence is not only counter-productive, but also costly and harmful to EU's credibility towards its taxpayers as well as its partners abroad.

**Macro-economic and financial stability and economic growth** is ranked highest by respondents. Many agree that this is not only a principal objective, but also a key means to achieve most of the other EU priorities, particularly the eradication of poverty.

The **promotion of trade and investment** also scores quite well and several contributors put emphasis on capacity-building and technical assistance that the EU and its enterprises can bring to partner countries. In this regard, some stress the need to enhance cooperation with local private sector in developing countries including on the business environment, in order to ensure that the knowledge of the local market is increasingly taken into account in political decisions, as well as the individual choices of EU investors and traders.

**Addressing regulatory barriers** and supporting **EU SMEs** ends among the lowest priorities of the respondents. Several respondents indicate however that they perceive these aspects as being included into 'macro-economic and financial stability, economic growth', the highest ranked priority.

**Boosting research and innovation** receives little attention in the contributions. One respondent stresses the need to invest in the development of microbicides.

Effective development policy and poverty eradication requires, according to a number of contributors, a focus on employment and social issues, and more specifically on inclusive pro-poor growth and on the decent work agenda. They urge the European Commission to develop concrete initiatives, supported by financial instruments, to ensure that these issues become a strategic aspect of EU future external assistance.

The promotion of the partner countries' educational and cultural sector and of EU investments in this sector is seen by several stakeholders as a crucial element of the democratic process and as a key to ensure lasting peace. Some respondents urge the EU to develop a genuine and coherent external cultural policy, based in particular on the protection and promotion of cultural diversity and on the respect of copyright, as a leverage for

---

2 There is a misunderstanding from several respondents. Poverty eradication is not part of the proposed list of priorities as it as already a priority for EU external action defined by the Lisbon Treaty. Question 2 is focused on other priorities, i.e. external projection of EU domestic priorities.

3 One respondent therefore urges the Commissioner for Development, working closely with the High Representative, to use its mandate given by the Lisbon Treaty to make PCD a central tenet of EU development policy and to conduct a PCD audit of the Multiannual Financial Framework. The budget lines that are most damaging to development should, according to this respondent, be isolated and eventually phased out.
economic growth and development. One respondent also underlines the strategic importance of higher education and university partnerships for development cooperation, EU visibility and external action in general.

**Energy, resource efficiency and climate change** receives wide support of respondents as a priority area for EU external action. A number of stakeholders stress the need to ensure that any financial contribution outside the EU contributes to the sustainable development of the target country or region. In addition, they urge the EU to increase its support for mitigation and adaptation efforts in developing countries.

Several stakeholders state that **improved transport connections** (roads, railways, ports, airports, etc.) significantly reduce economic transaction costs and are therefore indispensable for wealth creation and economic growth.

Many respondents draw attention to the importance of **environmental protection** and propose to mainstream this issue in the EU’s financial instruments for external action.

**Counter-terrorism** receives the least support among all interested persons and stakeholders.

**Managing migration** is pinpointed in some contributions as a fundamental dimension of EU dialogue with third countries. It is stressed that policies regarding employment, education and social issues for current and potential migrants in third countries should be developed.

Regarding **disaster prevention and preparedness** a number of contributors emphasise the link between disaster risk reduction (DRR) and climate change adaptation (CCA) and urge the EU to reflect this link in the programming of external action.

Several stakeholders set forth the link between **food security** and food aid. They point out that food aid should be needs-based and reflect local capacities as well as cultural preferences concerning food items. Another aspect mentioned in this regard is the importance of investing in agricultural production and capacity-building.

While valuing the need for **promoting good governance in tax matters and supporting domestic revenue mobilisation**, some respondents regret that this question limits good governance to tax matters and does not cover political/democratic governance aiming at establishing genuine checks and balances on the political system as a whole. The latter is something which has, according to these respondents, to date not received sufficient attention in EU external assistance.

Some respondents propose other priorities such as human rights, fighting corruption, increased participation of CSOs, political stability, fair distribution of income and gender equality.
6. The future architecture for external action funding

6.1. Geographic versus thematic instruments

Question 5

The bulk of EU external financial support is delivered through geographically-based multi-annual programmes which ensure consistency of EU external assistance within each individual countries and regions. These multi-annual programmes address specific situations and are the result of political and policy dialogue with partners, as well as bilateral agreements concluded between the EU and the respective country or region. Geographically-based cooperation is considered to be the level at which policy coherence and coordination with other financial partners can be ensured most effectively.

Alongside this, thematic programmes cover cross-cutting issues (such as environment, democracy and human rights, migrations...) without geographical limits. Unlike geographical programmes, they are not the result of a direct negotiation with the partner country but actions are often proposed and implemented by civil society organisations (including NGOs) and local authorities, or jointly managed with international organisations. These programmes are suited to address issues of a global nature (such as climate change, resource consumption, energy security and financial stability) and enable global, regional or transnational interventions as well as interventions in politically sensitive areas which cannot be carried out under geographical programmes.

Answers

Do you agree with these statements?

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The EU should continue to organise its programmes mainly on a geographic basis to make sure that cross cutting issues are addressed according to the country's specific context.</td>
<td>22,94%</td>
<td>33,03%</td>
<td>32,57%</td>
<td>3,67%</td>
</tr>
<tr>
<td>b. The EU should maintain a balanced set of instruments combining both geographic and thematic programmes.</td>
<td>36,70%</td>
<td>50,46%</td>
<td>7,34%</td>
<td>0,92%</td>
</tr>
<tr>
<td>c. The EU should make more room for sectoral policies and funds open to all countries or players, irrespective of their geographic location (global thematic programmes).</td>
<td>30,28%</td>
<td>36,70%</td>
<td>18,35%</td>
<td>5,96%</td>
</tr>
</tbody>
</table>

While results are rather mixed on the first question, the biggest share of respondents is in favour of maintaining the current geographic basis of the EU's cooperation with partner countries. On the second question, a vast majority favour a balanced set of instruments
combining both geographic and thematic programmes. Finally, the bulk of stakeholders either 'agrees' or 'strongly agrees' that global thematic programmes should be enhanced.

Comments

A number of stakeholders are convinced that the EU should continue organising its programmes mainly on a geographic basis. Among the advantages of geographic allocated funds mentioned throughout the contributions are the partnership approach based on political/policy dialogue, more country ownership, smoother alignment with other donors, a better understanding between authorities at various levels (local, national, regional and global), the possibility to adapt to the characteristics and needs of a specific country and to ensure that cross-cutting issues are addressed according to the country's specific context. A few respondents rather favour the geographic instruments because they are not convinced of the impact of thematic programmes and believe that the mix of both approaches increases the bureaucratic burden and slows down the preparation and implementation phase.

Thematic programmes are valued because they provide countries - regardless of their geographical location, development and socio-economic level or political situation - the opportunity to benefit from cooperation and funding on issues that are borderless. Besides being cross-cutting and cross-national, respondents appreciate that thematic funds allow the EU to fill the gaps left by geographic programmes: they allow the EU to hold on to its development objectives (in fields such as health, education, human rights, climate change) or to cover other new issues that do not always receive sufficient attention from partner country authorities; they enable targeting marginalised populations and provide CSOs with indispensable resources to act independently within their respective areas of expertise and therefore contribute to inclusive poverty reduction strategies, to the promotion of human rights and to the enhancement of political pluralism. Another recurrent asset of thematically allocated funds is that they allow the EU to act in sensitive areas, even without the agreement from the third country's authorities. Moreover, respondents indicate that thematic programmes stimulate rapid dissemination of best practices on a global scale and can counterbalance the sometimes artificial geographical demarcations of EU external action instruments (eg. East Timor/ACP and Indonesia /DCI).

Most interested persons and stakeholders agree that external financial support should be balanced along both geographic and thematic lines. A significant number of respondents states that the two approaches are complementary to each other. Considering the unique economic, political, social and cultural characteristics of each country or region, several respondents signal that high impact and full effectiveness of EU assistance can only be ensured by a tailored approach that sets a right balance between and within geographic and thematic instruments.

A great number of respondents even advocate an upgrade of global thematic programmes in order to address the general imbalance in favour of geographically funded external action. In this regard two approaches arise from the contributions. On the one hand, some plead in favour of larger financial envelopes for current thematic programmes. On the other, several contributors propose a review of their priorities to improve effectiveness and strengthen impact, while a few add that this should not automatically imply a reduction. Some

---

4 One respondent states that this review should not be based on the political relevance of thematic programs in the context of arising EU interests and priorities, but rather on their past performance and impact on poverty reduction and development.
respondents are concerned about the increased prioritisation of geographic over thematic instruments that results from the channelling of a considerable part of development resources through budget support programmes. Even though budget support entails the benefit of increased ownership and accountability of the beneficiary country over its own development process, they note that it could potentially reduce visibility of CSOs and the values they stand for. A few others indicate that the thematically allocated amount should always be less significant than the geographic envelopes. Several among them state that the EU already gives thematic programmes their due importance and therefore that they should not be further expanded.

In chapter 8.1., more information is provided on the respondents' assessment of current thematic programmes and their proposals for possible new themes.
6.2. Differentiating among partner countries

Question 6

On the question of principles for EU cooperation with third countries, further thought could be given to the idea of a more differentiated approach between beneficiary countries based on a variety of possible criteria, such as the development level of the country concerned (using economic criteria such as GNI (Gross National Income) per capita, poverty or inequality criteria), political and strategic considerations, or the degree of vulnerability of the country.

For more advanced countries, the promotion of EU and mutual interests (in terms of trade and investment, business environment, economic and tax cooperation, environmental protection, better energy and transport interconnections, security, respect for universal values and principles, etc) could become a driver for cooperation, whereas for more fragile and vulnerable countries, the EU could continue to deliver assistance primarily focused on poverty eradication.

Conversely, it could be argued that the possibility of ODA-type assistance for more advanced economies (e.g. targeting poverty pockets, indigenous populations, etc.) should be maintained, and that the promotion of activities (e.g. security, trade and investment cooperation, environment, etc.) in EU interest or of mutual interest should also be considered even in the poorer and more vulnerable countries, if this proved to be necessary.

Answers

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you think that external financial instruments should allow for a more differentiated approach tailored to the situation of the partner country as described above?</td>
<td>42,66%</td>
<td>49,54%</td>
<td>1,83%</td>
<td>1,38%</td>
</tr>
</tbody>
</table>

It is clear from these results that nearly all respondents advocate a more differentiated approach tailored to the situation of the beneficiary country for the external financial instruments in the post-2013 Multiannual Financial Framework.
If you consider that there should be such differentiation, do you think that it should be based on:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. the country's level of development, taking socio-economic criteria into consideration (GNI, poverty level, income distribution, growth, level of development of specific sectors of the economy)</td>
<td>33,03%</td>
<td>42,20%</td>
<td>8,26%</td>
<td>0,92%</td>
<td>15,60%</td>
</tr>
<tr>
<td>b. the level of economic and social progress (the UN human and social development index)</td>
<td>27,52%</td>
<td>48,62%</td>
<td>6,42%</td>
<td>0,92%</td>
<td>16,51%</td>
</tr>
<tr>
<td>c. political criteria such as the country's commitment to sound public policies addressing needs, good governance including in the tax area, fight against corruption and respect for human rights</td>
<td>38,07%</td>
<td>35,78%</td>
<td>8,26%</td>
<td>0,46%</td>
<td>17,43%</td>
</tr>
<tr>
<td>d. the country's involvement in a credible regional/continental political and/or economic integration process - where appropriate</td>
<td>15,60%</td>
<td>34,40%</td>
<td>23,85%</td>
<td>3,67%</td>
<td>22,48%</td>
</tr>
<tr>
<td>e. the country's stability and security situation (socio-economic, strategic and geopolitical aspects)</td>
<td>16,97%</td>
<td>41,28%</td>
<td>21,56%</td>
<td>1,38%</td>
<td>18,81%</td>
</tr>
<tr>
<td>f. the country's impact on the environment including climate change</td>
<td>16,06%</td>
<td>43,58%</td>
<td>14,68%</td>
<td>5,05%</td>
<td>20,64%</td>
</tr>
<tr>
<td>g. the degree of vulnerability of the country</td>
<td>34,40%</td>
<td>35,32%</td>
<td>9,63%</td>
<td>1,83%</td>
<td>18,81%</td>
</tr>
<tr>
<td>h. the EU's own interests</td>
<td>13,76%</td>
<td>27,06%</td>
<td>25,23%</td>
<td>20,64%</td>
<td>13,30%</td>
</tr>
</tbody>
</table>

When asked about the criteria that should guide this differentiation between beneficiary countries most support goes to the country's level of development, its level of economic and social progress, political criteria and the country's degree of vulnerability. The country's involvement in a credible regional/continental political and/or economic integration process, its stability and security situation and its impact on the environment including climate change receive more mixed results, but still with a significant part of contributors in favour of using these aspects as differentiation criteria. Finally, differentiating on the basis of the EU's own interest received least support and most stakeholders disagree with this criterion.

**Comments**

A broad majority of respondents support a more differentiated approach tailored to the situation of the partner country; however this support is associated to a number of conditions. First of all, contributors stress that differentiation has to be based on sound and credible criteria as well as efficient and adequate EU data collection and analysis. Respondents note that this should enable to accurately reflect the situation in the respective
target country and allow using differentiation as a way to increase the impact of EU financial instruments. Given that the whole of economic, social, financial, political, environmental, cultural and historical characteristics of a given country are determining factors for the impact of EU external action, many respondents plead against a one-size-fits-all-approach. In addition, a number of stakeholders stress that the actual agreed approach must be decided in close consultation with the given partner country, including its key civil society actors. It arises from the contributions that most of the criteria proposed in this question are seen as important, but that the challenge for the EU lies in finding the right balance between them. As already mentioned before, a few stakeholders again draw attention to the fact that EU humanitarian aid should always be needs-based and targeted to affected populations.

The need to base differentiation on the level of development of a given country is pinpointed by a considerable number of stakeholders. They propose to develop transparent, harmonised and objective criteria based on the conditions necessary to achieve poverty reduction, Millenium Development Goals (MDGs) and other EU development objectives. It is emphasised in many contributions that development cooperation has as a legal obligation to eradicate poverty and thus should only be used for development purposes. Some enunciate that development cooperation should follow the Official Development Aid (ODA) criteria of the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC). While many stakeholders are of the opinion that EU funding should prioritise and increase funding for Least Developed Countries (LDCs) and Low Income Countries (LICs), most explain that this does not mean that the EU's poverty eradication mandate should not include Middle Income Countries (MICs), where three quarter of the world's poor live. In MICs, these respondents propose the EU to combine EU funding for poverty eradication with enhanced cooperation with partner country's authorities to target social inequalities and vulnerable population groups, and promote democratisation.

Several respondents emphasise that differentiation should in any case take into account the country's level of economic and social progress. Some note that differentiation should for this purpose be based on indexes, such as the UN Human Development Index (HDI). Respondents point out that the EU's cooperation with more advanced as well as fragile and vulnerable countries has to ensure that growth is not an aim in itself but should always be seen as a central element for development. They put forth the focus on human and social criteria, because weak governance leads to social inequality, poor human rights protection and off-track MDGs, regardless whether the beneficiary country is less or more advanced.

Political criteria, particularly the country's commitment to sound public policies and respect for human rights, are generally seen as important criteria for differentiating between countries. However several respondents express their concerns about the risk of further marginalising countries in fragile situations, because precisely these countries need most assistance while they have least capacity to meet the political criteria (see further 6.3.).

The country's involvement in a credible regional/continental political and/or economic integration process is stipulated by a number of respondents as an important differentiating factor. Some note that the regional context should always be taken into account.

A significant part of the stakeholders agree on the need to take into account the country's stability and security situation when deciding on the nature and scope of EU approach. However, they stress that this should not be a determining factor to decide whether or not to provide assistance, because this might on lead the EU to focus only on those countries where
it has strategic security interests. Strategically less important countries that cope with stability and security problems might, according to a few respondents, be further marginalised because they are less able to fulfil the other criteria (see further 6.3.).

No additional comments were made regarding the proposed criteria to consider the country's impact on the environment including climate change.

The degree of vulnerability of a country, or of specific areas within a country, is also put forward by respondents as a criterion to develop tailor-made EU external assistance. One respondent points to the risk of the categorisation of developing countries on the basis of socio-economic criteria, giving the example of small island states that often cope with higher vulnerability than other countries with a similar socio-economic ranking.

The idea that differentiation could be driven by the EU's own economic, political or security interests is a matter of concern for many stakeholders. Various reasons were cited, namely that EU aid has to remain altruistic, focus on the needs of the poorest and provide targeted aid. Another group of contributors believes that delivering on development and humanitarian aid, on the one hand, and supporting the EU's economic and geopolitical interests abroad, on the other, are both important objectives of EU external action that should not be conflicting and can even be complementary; one respondent gives the example of EU funds supporting trade and investment cooperation in countries where the EU is implementing trade agreements, which benefit both EU interests (export, investment, job creation) and partner country interests (investment, local job creation, infrastructure).
6.3. Like-mindedness and conditionality

Question 7

The EU is a major global player, with strategic objectives, interests and values. It could request more systematically than it has done in the past that its partners (countries, organisations and individuals) in the development area commit themselves to the same goals.

(This question does not apply to enlargement and – in some cases - neighbourhood areas where conditionality and alignment on EU objectives and systems are core principles.)

Answers

Do you agree that:

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The EU should explore the possibility of linking more closely its cooperation to respect for human rights, minorities, good governance, respect for the diversity of cultural expressions and non-discrimination by its partners.</td>
<td>44,50%</td>
<td>33,94%</td>
<td>6,88%</td>
<td>0,46%</td>
</tr>
<tr>
<td>b. EU external cooperation should give priority to partners countries based on the quality of their policies in the sector(s) concerned and on their ability and willingness to implement a sound policy for improvements.</td>
<td>22,02%</td>
<td>41,28%</td>
<td>17,89%</td>
<td>0,92%</td>
</tr>
<tr>
<td>c. The EU should make its external cooperation conditional on its own interest in being present in the beneficiary country, in developing its ties with that country or in enhancing stability and security in that country.</td>
<td>10,55%</td>
<td>23,85%</td>
<td>44,50%</td>
<td>11,01%</td>
</tr>
<tr>
<td>d. The principles of ownership(^5) and of alignment(^6) with beneficiaries' objectives and systems are contradictory to the idea that the EU should apply conditions to its external cooperation.</td>
<td>8,26%</td>
<td>18,81%</td>
<td>44,50%</td>
<td>10,09%</td>
</tr>
</tbody>
</table>

---

\(^5\) Ownership: Partner countries exercise effective leadership over their development policies and strategies.

\(^6\) Alignment: Donors base their overall support on partner countries’ national development strategies, institutions and procedures.
There is wide support among respondents for exploring the possibility of linking EU cooperation more closely with the beneficiary country's respect for human rights, minorities, good governance and diversity of cultural expressions. Prioritising between partner countries based on the quality of their policies and of their ability and willingness to implement sound policies receives significant support. Most contributors do not think that applying conditions to external cooperation conflicts with the principles of ownership and alignment. However, as in the previous question, the majority of respondents are critical towards basing external cooperation on the EU's own interests; therefore the idea of conditioning EU external action on EU's interests in being present, developing ties, or enhancing stability and security of a given country has more opponents than advocates. A small majority think the EU should provide financial incentives to partner countries if a strong EU interest entails costs that are difficult for partner countries to bear.

**Comments**

In general, the majority of respondents support the idea of applying conditionality to the EU's relations with its partners as an enforcement/promotion mechanism of EU and international values abroad. A number of stakeholders add that this conditionality should be based on clearly defined and measurable indicators as well as enhanced monitoring and investigation capacities. However, a few contributors find the current level of conditionality sufficient and state that its reinforcement could excessively restrict aid. Others have even more serious doubts about the idea of conditionality and stress that the priority of ODA should be to benefit the people, not to punish regimes; they add that the poorest countries in highest need of assistance for their citizens are often no able to perform according to EU standards. Another disadvantage mentioned is the fact that conditionality could go against the predictability of EU long-term commitment. One respondent mentions that EU values cannot be transposed directly into other societies and that this may lead to lagging policy dialogue, weak interest from certain partners and confusion. A number of respondents note that humanitarian aid should in any case be disconnected from conditionality and may only be dependent on humanitarian needs.

Regarding the options proposed, a considerable number of respondents put emphasis on the Union's core values and democratic principles and stress that these should never be abandoned in its external relations. Therefore, they believe that the EU should explore the possibility of linking more closely its cooperation to the partners' respect for human rights, minorities, good governance, respect for the diversity of cultural expressions and non-discrimination. They state that the respect for human rights and democracy should be a 'sine qua non' condition, regardless all other conditions, in order to ensure that aid flows into all relevant sectors reach the entire population, including the most marginalised. Some point out that the EU has to exert more pressure on partner countries' governments to prevent and correct abuses. Several stakeholders add that the EU should systematically promote the protection and promotion of cultural diversity and copyright rules in its support programmes.
to the cultural sector. Others encourage the EU to apply peace and governance incentives to the EU's external action.

The majority of respondents agree to condition EU external assistance on the **quality and soundness of policies implemented by the partner countries' authorities**. They clarify that the achievement of EU standards should not be a prerequisite and propose therefore to focus on the willingness and seriousness of partner countries to implement sound policies for improvement. A few contributors urge the EU to increasingly link budget support to country performance and internationally agreed standards. Some state that government performance should not influence the amount of allocations, but only the modality of aid delivery; in case of bad governance, aid would be channelled through civil society.

The fact that EU external funding should be based on needs, added value and impact is a recurring issue stressed by many respondents. In this same line of reasoning, several stakeholders are concerned that conditioning EU external action on EU own interest in being present in, developing ties with or enhancing stability and security in a certain country would lead countries and regions of strategic importance to benefit more from EU funding than others, where needs may be larger. Some state that this approach would also undermine the achievement of the Millennium Development Goals. These respondents stipulate that security and stability are of course important objectives, but that they would be better enhanced through impartial needs-based aid than through financing based on EU self-interest.

**The principles of ownership and of alignment** with beneficiaries' objectives and systems are generally not perceived as contradictory to the conditionality approach, provided that the latter is balanced so as to be beneficial for both parties and framed to be consistent with the international legal framework. This can be achieved by, on the one hand, linking alignment to conditionalities in the area of human rights and good governance, and on the other, expanding the principle of ownership beyond state institutions to include the wider civil society.

Several correspondents expressed their agreement with the idea that the EU should **provide financial incentives for partner countries** if a strong EU interest is associated with financial costs that are difficult to bear for the partners. Relevant areas for financial incentives mentioned by respondents include the implementation of EU-led migration initiatives, the policies in the field of democracy and human rights, the costs related to the implementation of a free-trade agreement (FTA) and the efforts done by neighbouring countries to approximate, implement and enforce the EU 'acquis'.

- 33 -
7. Increasing the leverage of EU external action

7.1. Cooperation with financial institutions

Question 9

At a time of budgetary pressure one option for increasing the impact of EU external financial instruments might be to reinforce cooperation with European financial institutions, namely the European Investment Bank (EIB), Member States' financial institutions (such as KfW or the members of the Association of European Development Finance Institutions – EDFI), and international financial institutions such as the World Bank Group, the European Bank for Reconstruction and Development (EBRD), or the Council of Europe Development Bank. This would allow the EU to mobilise additional resources in support of its policy objectives.

Answers

Do you think that the EU should reinforce cooperation with European, Member States' and international financial institutions through…?

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. increased blending(^7) of grants and loans</td>
<td>17,43%</td>
<td>36,24%</td>
<td>11,93%</td>
<td>2,75%</td>
<td>31,65%</td>
</tr>
<tr>
<td>b. joint investment mechanisms (such as the existing regional investment facilities)</td>
<td>14,22%</td>
<td>45,87%</td>
<td>5,96%</td>
<td>2,29%</td>
<td>31,65%</td>
</tr>
<tr>
<td>c. increasing structured cooperation and coordination with financial institutions</td>
<td>22,02%</td>
<td>39,91%</td>
<td>7,34%</td>
<td>1,38%</td>
<td>29,36%</td>
</tr>
</tbody>
</table>

The three options proposed for reinforcing cooperation with European, Member States' and international financial institutions are supported by a majority of respondents. It should also be noted that nearly one third of respondents indicate for all three options to have no opinion.

Comments

**Blending of grants and loans** is seen by a number of stakeholders as a way to increase effectiveness of investments as well as to enhance flexibility and responsiveness of EU external action.\(^8\) However, in their additional comments, a significant number of respondents call for caution given the limited evidence base regarding development benefits of blending. They state that the use of ODA resources as loan guarantee can only be acceptable under certain conditions. More precisely, blending should be based on clear objectives, criteria and implementation methods; it should not lead to reduced levels of grants for developing

---

\(^7\) i.e. combining grants with repayable financing to increase aid impact and enhance private sector investment.

\(^8\) One respondent stipulates that a key advantage of blending is to allow to reallocate funding to those countries that need it most, because the latter would benefit from more grants, whereas the more advanced would receive more loans.
countries; it should go hand-in-hand with a mechanism that guarantees a positive impact on development, poverty reduction, inclusive growth and pro-poor targeting of services; it should respect the political, economic, social and cultural rights of the populations. Other elements stressed by stakeholders is that blending should not prevent or complicate the funding of projects or lead to a loss of control for the EU.

**Joint investment mechanisms** are seen by a majority of respondents as an effective way to mobilise resources in support of EU development objectives. The contributions indicate however several concerns, namely the past record of lack of transparency through the use of joint investment mechanisms, the risk of lessened visibility of EU aid and the complexity of using these facilities. To achieve maximal gains and avoid negative impacts (such as an unsustainable debt burden), respondents stress that the EU should make sure that the implementation of the cooperation with financial institutions is fully transparent and accountable, complies with the environmental, social, economic and sustainable development requirements (through prior in-depth impact assessments), is adequately managed to ensure that joint initiatives respect the different mandates of lending actors, and is critically monitored and evaluated.

Various respondents advocate **structured cooperation and coordination of the EU with financial institutions** as a way to ensure that the latter contribute to the development objectives established at national and local level. Financial institutions are seen by many contributors to have an important role in facilitating local investments by providing developing countries with technical knowledge, financial assistance for improving their supply chain, as well as affordable loans and micro-credit schemes. Others point to the possibility for financial institutions to play a role in enhancing local, national and regional governance because they allow authorities to diversify their financing sources and develop the national economy. Some stakeholders stress that investments of financial institutions, in particular the EIB, should allow higher risks and lower returns on projects with a positive impact on development. Several contributors believe that the EU should act intensively within the governing bodies of the Bretton Woods institutions to ensure that fiscal space is granted for developing countries to strengthen their social sectors, in particular the health sector.
7.2. Engaging with the business community

Question 10

Engaging more extensively with business communities in the EU and in third countries could also be a way of increasing the financial leverage for EU external action, by attracting additional resources from the private sector and therefore directly supporting private investment worldwide. At the same time private aid foundations developed an important role in providing development finance to the poor or to emerging countries.

Answers

Do you think that the EU should give more importance to private funding through:

<table>
<thead>
<tr>
<th>Option</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. engaging more extensively with the business community as a partner</td>
<td>25,23%</td>
<td>34,86%</td>
<td>16,06%</td>
<td>3,21%</td>
<td>20,64%</td>
</tr>
<tr>
<td>b. promoting private-private partnerships (business-civil society)</td>
<td>26,61%</td>
<td>42,20%</td>
<td>11,01%</td>
<td>3,21%</td>
<td>16,97%</td>
</tr>
<tr>
<td>and public-private partnerships or alliances (business-beneficiary country authorities or business-public donors)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. devoting a greater share of resources to leverage private finance</td>
<td>15,60%</td>
<td>27,98%</td>
<td>24,31%</td>
<td>5,50%</td>
<td>26,61%</td>
</tr>
<tr>
<td>d. promoting corporate social responsibility</td>
<td>38,99%</td>
<td>47,71%</td>
<td>4,59%</td>
<td>0,46%</td>
<td>8,26%</td>
</tr>
<tr>
<td>e. increasing cooperation and partnerships with private aid foundations</td>
<td>23,39%</td>
<td>42,20%</td>
<td>11,47%</td>
<td>2,29%</td>
<td>20,64%</td>
</tr>
</tbody>
</table>

In general, respondents favour an intensified EU engagement with business communities in the EU and in third countries. Of the different options proposed, most support goes to promotion of corporate social responsibility. Increased cooperation and partnership with the business community and private aid foundations as well as promotion of private-private and public-private partnerships have the support of a majority of respondents. Around 45% of interested persons and stakeholders is in favour of devoting a greater share of resources to leverage private finance.

Comments

The vast majority of respondents agree that private sector is the main engine for economic development and thus contributes significantly to sustainable growth. For this reason they advocate a more extensive EU engagement with the business community as a partner in the EU and in third countries in order to involve increasingly the private sector – both financially and in terms of knowledge gathering - as a driver for sustainable development, inclusive growth and poverty alleviation. To achieve this, a number of contributors highlight several conditions that the private sector needs to fulfil, such as ensuring full transparency and accountability, respecting basic labour, gender and environmental standards, setting fair prices...
and cooperating with local actors. The EU, for its part, should, according to a number of respondents, increase its support and capacity-building efforts towards local companies – in particular SMEs – and engage the EU private sector for this objective. To tackle corruption, a few respondents add that the EU should oblige its extractive mining companies to publish payments they make to developing countries in which they operate and that the EU should promote these efforts among the wider donor community. Some stakeholders propose to make local, national and regional policy dialogue more inclusive and effective by involving the private sector, which could provide valuable input, because it has itself a lot to gain from an improved regulatory framework for business and investment. One respondent proposes a review of the current EU instruments for the development of the private sector in partner countries (such as Centre for Development of Enterprise, Pro-Invest, AL-Invest, Asia-Invest, DIAGNOS, EBAS, URB-AL, FEMISE, EUMEDIS) in order to maintain only the ones that have proven to be efficient, cost effective and complementary.

The promotion of private-private partnerships (business-civil society) and public-private partnerships or alliances (business-beneficiary country authorities or business-public donors) is positively perceived by many contributors because it can function as a leverage to increase development financing, enhance transparency and cost control in the allocation of funds, ensure longer term private investment for big, complex and costly projects and guarantee a better mitigation of risks. However, a number of respondents call for caution and stresses that these partnerships should be accompanied by strict regulatory frameworks (e.g. reporting on financial and non-financial activities) and mechanisms to ensure that the private sector's role reflects the needs of the local population rather than the need for profit maximisation. In the framework of EU neighbourhood, one respondent notes that the cooperation between EU and recipient country businesses is vital to harmonise and implement the EU 'acquis'.

The idea that the EU should devote a greater share of resources to leverage private financing receives less, but still significant, support from respondents. Several respondents suggest possible options such as improving the framework conditions of the business environment to attract foreign direct investment (FDI), funding infrastructure projects and implementing risk mitigation instruments to allow private investors to engage in developing countries with higher risk profiles.

Corporate social responsibility (CSR) is put forward by the vast majority of stakeholders as a crucial framework to engage companies in the development objectives of the countries in which they operate. In particular, respondents value CSR promotion, companies' compliance with basic social (i.e. the standards of the International Labour Organisation (ILO) and the Decent Work agenda) and environmental standards as well as increased transparency and accountability of their commitments in this regard.

Increasing cooperation and partnerships with private aid foundations is seen by a significant majority of respondents as a way to increase the financial leverage of EU funding. In particular, co-funding with private aid foundations has, according to some respondents, a role to play in certain sectors that are otherwise underfunded.
7.3. Joint programming and co-financing with EU Member States

Question 11

The Lisbon Treaty contains provisions to strengthen the ‘division of labour’ among aid donors and promote the complementarity and efficiency of action between the EU and the Member States. Strengthening coordination with Member States on joint programming and co-financing would contribute to increasing the impact of EU external funding.

Answers

Do you agree with the following:

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Joint programming and co-financing with Member States can increase the impact and the coherence of EU external action.</td>
<td>30,73%</td>
<td>41,28%</td>
<td>7,80%</td>
<td>2,75%</td>
</tr>
<tr>
<td>b. Joint programming and co-financing with Member States can simplify the delivery of aid and reduce overall transaction costs.</td>
<td>22,94%</td>
<td>29,82%</td>
<td>19,72%</td>
<td>3,21%</td>
</tr>
<tr>
<td>c. Joint programming and co-financing with Member States can lead to a heavier and lengthier programming process.</td>
<td>15,60%</td>
<td>38,99%</td>
<td>20,64%</td>
<td>2,29%</td>
</tr>
<tr>
<td>d. EU institutions and Member States should commit to joint programming and division of labour through EU legislation (possibly through a new EU Regulation).</td>
<td>16,51%</td>
<td>38,99%</td>
<td>16,51%</td>
<td>4,13%</td>
</tr>
</tbody>
</table>

Over 72% of respondents either agree or strongly agree that joint programming and co-financing with Member States can increase the impact and the coherence of EU external action. The fact that it could also simplify the delivery of aid and reduce overall transaction costs convinces a smaller majority (52%). About half of respondents deem that joint programming and co-financing arrangements will lead to heavier and lengthier programming procedures. On the last point, a narrow majority (55%) approve the idea of anchoring the EU's and Member States' commitment to joint programming and division of labour in a piece of EU legislation.

Comments

Many respondents deem the idea of EU joint programming and co-financing with Member States valuable for enhancing impact and coherence. Respondents consider joint programming and co-financing as an important step towards achieving the Paris Declaration objectives of enhanced aid effectiveness. However, some plead for realism and point to the
difficult implementation of these arrangements because of obstacles caused by Member States' own national priorities, differing approaches and concerns of visibility. For this reason, they stress that efforts should focus on ensuring a common analysis and a joint needs-based strategy. Another point of attention mentioned by some respondents is that these arrangements should involve civil society organisations and promote structured and permanent multi-stakeholder dialogues as a way to gradually and effectively implement coordination and harmonisation. One respondent stresses that joint programming and co-financing should not come at the price of diminishing the added value of the EU approach, such as ECHO's needs-based funding and the poverty focus of EU development aid. A few others are more pessimistic regarding the possibilities of overcoming the obstacles linked to Member States' own priorities and consequently consider effective donor coordination and alignment as more effective than joint programming and co-financing. Improving EU coordination of Member States' civil protection policies is a specific example given by a couple of respondents as a way to increase coherence, impact, efficiency and visibility of natural disaster response.

Joint programming and co-financing with Member States is seen by a number of stakeholders as a way to simplify the delivery of aid and reduce overall transaction costs. To explain this they point to economies of scale, to the facilitation of in-country cooperation of European donors and to the reduced administrative burden on beneficiary governments and implementing partners who will only have to deal with one procedure instead of 27 sets of application and reporting requirements. To this effect, they stress that harmonising and simplifying administrative procedures, overriding bureaucratic hurdles and ensuring effective EU coordination will be the greatest challenge. Some contributions draw attention to the risk of using joint-programming and co-financing arrangements as an mean to reduce overall funding, particularly for social sectors such as health and education.

Many interested persons and stakeholders are concerned about the possibility that joint programming and co-financing with Member States would lead to a heavier and lengthier programming process. In a significant amount of contributions, it is underscored that these arrangements must be properly designed and simplified so as to ensure a minimal administrative burden and avoid merely setting up another level of coordination. The implications will be particularly strong for the contract holders because, respondents note, only those that have sufficient staff and are well organised will be able to administrate the increased envelopes and fulfil heavier administrative requirements. Some fear that this might lead to a marginalisation of national civil society organisations. One respondent proposes the EU to provide funding to local NGOs to meet the EU administrative requirements. Another stakeholder puts forward the idea of setting up an EU agency to provide technical support to partner countries in cooperation with national agencies, financial institutions, international organisations and EU and local private sector.

A small majority of respondents are in favour of EU institutions and Member States committing to joint programming and division of labour through EU legislation. One respondent underscores that this division of labour should be based on the recognised value and skills of each actor and not on a geographical basis.
7.4. Co-financing with beneficiary countries

**Question 12a**

Taking into account the risk of financial dependence and the principle of programme ownership by beneficiary countries, it can be argued that EU funding should not be self-standing but should complement financing provided by beneficiary/partner countries where appropriate (as it is within the EU, where cohesion or agricultural policies require national co-financing). In the area of external action, co-financing is essentially applied to candidate/potential candidate countries, in the framework of the Enlargement Policy, and to neighbouring countries, in the framework of the European Neighbourhood Policy.

**Answers**

Do you agree with the following:

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,14%</td>
<td>38,99%</td>
<td>29,36%</td>
<td>4,59%</td>
<td>11,93%</td>
</tr>
</tbody>
</table>

Co-financing with beneficiary countries is supported by a majority of respondents (54%) as a way to enhance ownership and responsibility of partners. One out of three respondents is not in favour of this form of co-financing.

**Comments**

Many contributors support **co-financing with beneficiary countries** because it would potentially ensure that country ownership and responsibility prevails over aid-dependency and donor agendas. To achieve this result, a significant number of respondents stress that co-financing has to be accompanied by the highest aid effectiveness standards, including mutual accountability, transparency and harmonisation of donor policies. Another point of attention mentioned by a few stakeholders is that the next Multiannual Financial Framework should contribute to capacity-building of fiscal authorities, such as strengthening tax administrations and their mechanisms to counter illicit capital flows and tax evasion. They explain that this would not only increase the resources available for development spending, but also strengthen governance structures. In this same line of reasoning, a number of stakeholders add that civil society (both inside and outside the EU) has to be supported in its role of holding governments accountable for revenue collection and expenditure.

The absence of the possibility or ability to co-finance with a given recipient country should, according to several contributors, not a priori exclude EU support to address critical development issues, particularly in areas that are sometimes not considered as a priority by developing countries' authorities, such as environment and education. Many emphasise that the level and type of co-financing should be tailored to the situation in the respective third
country. They state that the EU must ensure that recipient countries have sufficient funding available to ensure a successful realisation of projects and the necessary know-how and skills for increased project ownership and capacity to manage EU funds. If not, co-financing requirements could impede access for funding to certain countries, actors or areas that most need the support. Finally, a considerable part of contributors underline the difficulty of replying to this question without more knowledge on the modalities and conditions of co-financing with beneficiary countries.
7.5. Joint cooperation with emerging donors

**Question 12b**

Triangular cooperation can be defined as partnerships between 'traditional' donors and Southern partners providers of South-South Co-operation, to implement co-operation programmes and projects in beneficiary countries. It can be argued that better results can be achieved when Southern partners and 'traditional' donors join forces through triangular cooperation.

**Answers**

*Do you agree with the following?*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The design of EU financial instruments should facilitate the possibilities of joint cooperation with emerging donors.

75% of respondents support joint cooperation with emerging donors to achieve better results in implementing cooperation programmes and projects in beneficiary countries, while less than 5% disagree or strongly disagree with this statement.

**Comments**

The strong support for **joint cooperation with emerging donors** is motivated, firstly, by their closeness to beneficiary countries and their own recent experience in tackling similar development challenges. In this way, one respondent clarifies that joint cooperation promotes a cost-effective approach by exploiting the comparative advantages of each partner, developing capacity for cooperation agencies in emerging countries, and increasing the potential of South-South cooperation by using successful cooperation experiences with traditional donors. Secondly, joint cooperation is seen as way to raise awareness and increase commitment to the Millennium Development Goals, the Aid Effectiveness agenda and the internationally agreed ODA criteria. The latter two are seen as particularly important by a couple of respondents since emerging donors currently operate outside the OECD-DAC framework. In addition, one contributor notes that the EU should only cooperate with emerging donors if they are committed to apply and adhere to EU values and principles of external action, notably human rights and democracy.

Joint cooperation with emerging donors is seen as necessary and important to reflect the changing reality of the international aid environment. As for co-financing with beneficiary countries, several respondents stress that the scope and nature of triangular cooperation needs to be decided on a case by case basis and should not be compulsory. In addition, several respondents point again to the difficulty of replying to this question because of the lack of information on 'how, in which conditions and with whom'.
7.6. Cooperation with international organisations and other bilateral assistance

**Question 13**

At the moment, the EU works in partnership with international organisations - such as United Nations organisations, OSCE, and the Council of Europe, channelling significant amounts of assistance through these organisations particularly in areas where these organisations have a comparative advantage and well established experience. The EU also coordinates extensively with other important non EU bilateral donors (for example the USA, Canada, Japan, Norway, Switzerland). It is worth considering whether increasing joint work with these donors could also contribute to increase the overall impact of EU external action, by being part of a larger pool of funding, by economies of scale or by reducing overheads.

**Answers**

Do you think that implementation of EU external assistance in partnership with international organisations or bilateral donors...?

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. can be useful, particularly in crisis and rehabilitation programmes</td>
<td>38,07%</td>
<td>50,00%</td>
<td>3,21%</td>
<td>0,92%</td>
<td>7,80%</td>
</tr>
<tr>
<td>b. can lead to considerable economies of scale and improved effectiveness</td>
<td>23,85%</td>
<td>49,54%</td>
<td>13,30%</td>
<td>2,75%</td>
<td>10,55%</td>
</tr>
<tr>
<td>c. can result in a loss of identity and visibility for EU external aid</td>
<td>9,63%</td>
<td>29,82%</td>
<td>31,65%</td>
<td>6,88%</td>
<td>22,02%</td>
</tr>
<tr>
<td>d. offers adequate guarantees on accountability</td>
<td>5,50%</td>
<td>33,49%</td>
<td>34,40%</td>
<td>8,72%</td>
<td>17,89%</td>
</tr>
</tbody>
</table>

The vast majority of respondents are convinced that cooperation with international organisations and other bilateral assistance can be useful, particularly in crisis and rehabilitation programmes. Also widely accepted is the fact that these partnerships in the implementation of EU external assistance can lead to considerable economies of scale and improved effectiveness. Results are more mixed regarding the possibility of EU external aid losing its identity or visibility and no clear trend emerges from these numbers. Opinions differ equally on the question whether these partnerships offer adequate guarantees on accountability, with slightly more respondents disagreeing than agreeing.

**Comments**

Cooperation with international organisations and other bilateral assistance is perceived as useful by many respondents. They enunciate that it allows to increases legitimacy and effectiveness, to avoid fragmentation and overlap, to enhance the quality of delivery and to make the most of every actor's comparative advantages, particularly in crisis and rehabilitation programmes. However, several contributors note that it has to date not provided its full added value. For this purpose, they stress that coordination and transparency must be improved and bureaucratic complexity addressed. A few stakeholders stipulate that
the added value of this cooperation moreover depends on the country/regional context, the aid modalities, the nature of the donors and the policy areas and themes. Views differ on the kind of actors the EU should engage with. While one respondent considers it more useful to engage with international/regional partners on the basis of their knowledge of the country/region concerned (including CSOs) to maximize ownership and accountability, another stakeholder invites to engage more intensively with international organisations that offer wide in-house expertise on specific themes and operational capacity across the EU and in partner countries. A number of contributors emphasise that increased multi- or bilateral cooperation should in any case not negatively impact the funding available for civil society organisations.

A significant number of stakeholders are convinced that joint work with other donors can lead to considerable economies of scale and improved effectiveness, particularly in areas where these organisations have a comparative advantage and well-established experience. Another group of respondents is more reserved on the added value of bilateral or multilateral cooperation and deem that it leads to increased overhead costs and lengthy procedures, i.e. less funding for actual assistance to countries and populations in need.

Opinions differ on whether or not cooperation with international organisations and other bilateral donors will lead to a loss of identity and visibility for EU external aid. Firstly, one group believes that channelling EU funds through other donors entails the risk for the EU of becoming superfluous and of losing control over the fundamental rights and principles it is committed to promote on the global scene. Secondly, others state that losses of identity and visibility can be easily circumvented if adequate guarantee mechanisms are put in place. For this reason they propose the EU to undertake a joint effort from the onset of its engagement with other donors and assure that the norms, standards and principles of EU external action are respected in the delivery of programmes. Thirdly, other respondents believe that providing funds through other international organisations can even increase EU visibility and promote its identity. The food price crisis is given as an example by one respondent. Regardless of whether or not it threatens visibility and identity, many stakeholders note that these concerns should not be a decisive factor in resorting to EU joint cooperation with other multilateral or bilateral donors.

Guarantees on accountability for EU external assistance in partnership with international organisations or bilateral donors is a matter of concern for several contributors. Some explain that the complicated structure of cooperation makes it difficult to assess who is responsible for doing what, particularly in the light of the wide differences per context, donor and policy area. A few respondents point to the 2009 Court of Auditors report on EU funding to the UN that demonstrated poor mechanisms of accountability, a lack of evidence that EU funding to the UN provides added value, and difficulties in monitoring the outcomes. Because they believe that the lack of clarity on the respective responsibilities of the partners is damaging for accountability, several stakeholders propose the EU to undertake an in-depth discussion at political level on the objectives and the issue of accountability with all the actors involved during the design phase of the cooperation.
8. **Improving effectiveness, credibility, coherence and efficiency through financial instruments**

8.1. **Simplification of instruments**

**Question 8**

The current EU resources for development for 2007-2013 are structured around a certain number of legislative and financial instruments. There are several ways which could be examined to possibly simplify and rationalise the structure of EU development instruments.

**Answers**

*Do you agree that:*

<table>
<thead>
<tr>
<th>Question</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The integration of the European Development Fund (for ACP countries) into the EU budget would increase the coherence and the political visibility of EU external action, and would improve efficiency in implementing and financing procedures.</td>
<td>23,39%</td>
<td>29,36%</td>
<td>11,01%</td>
<td>3,67%</td>
<td>32,57%</td>
</tr>
<tr>
<td>b. Existing thematic programmes (such as Investing in People, Non-State actors, Food security under the Development Cooperation Instrument, and the European Instrument for Democracy and Human Rights) should be reviewed and where necessary their number should be reduced.</td>
<td>15,60%</td>
<td>28,90%</td>
<td>26,61%</td>
<td>21,10%</td>
<td>7,80%</td>
</tr>
<tr>
<td>c. The EU should make the geographic limits of its instruments more flexible to facilitate cross-regional/continental cooperation (e.g. using different instruments to support, in certain countries, implementation of the Joint Africa-EU Strategy or concerning the Greater Caribbean cooperation).</td>
<td>23,39%</td>
<td>52,29%</td>
<td>8,26%</td>
<td>2,75%</td>
<td>13,30%</td>
</tr>
</tbody>
</table>

A majority of respondents agree that the integration of the European Development Fund (EDF) into the EU budget would promote coherence, efficiency and political visibility of EU external action. However, one third of contributors also indicate to have no opinion on this issue. The picture is less clear on the review and possible reduction in number of thematic instruments where about 45% of respondents either agree or strongly agree, opposed to 48% that disagree or strongly disagree. The idea of increasing the flexibility of the geographic limits of instruments to facilitate cross-regional/continental cooperation is strongly supported by stakeholders.
Comments

Respondents' support for **integrating the EDF into the EU budget** is prompted in the first place by the perceived benefits of increased accountability, because it would make EU funding to ACP countries subject to democratic scrutiny and budgetary control by the European Parliament. Other advantages mentioned are increased coherence, transparency and political visibility of EU development policy as a whole and the facilitation of exchanging best practises across all developing countries. Moreover, a few contributions note that it would be in line with the post-Lisbon legal and institutional framework that no longer differentiates between ACP and non-ACP development policy. However, respondents link their support to a number of safeguards. In the first place, they underscore that the overall EU development budget should be kept at the same level. Secondly, many stakeholders deem that the funds allocated to ACP countries should be ring-fenced. Thirdly, they stipulate that the key specific elements of the EU-ACP relationship should be safeguarded and strengthened, including the joint decision-taking by EU and ACP partners, the political dialogue founded on equality, the principles of ownership and the civil society dialogue including at local level. Because some contributors are not convinced that these safeguards can be guaranteed, they are opposed to integrating the EDF into the EU budget. Another reason for disagreement stated is the loss of predictability regarding the amount of ACP funding (as allocations in annual budgets can be transposed from one part of the budget to the other). Finally, a significant number of respondents do not believe that the integration of the EDF into the general budget will necessarily increase the coherence or political visibility of EU external action.

For the sake of flexibility, effectiveness, efficiency and better implementation, a significant number of stakeholders advocate a **review of the existing EU thematic programmes**. Many of them stress however, that a review should not necessarily imply a reduction of programmes and should in no way decrease the overall amount available for thematic action. In addition, one stakeholder underlines that a concentration of thematic programmes would not necessarily lead to a simplification, because the management of larger programmes may imply increased red tape and lengthier procedures. Rather than cutting the number of programmes, respondents continue, the review process should lead to a more homogeneous thematic framework and a simplified set of rules governing the calls for proposals, financial management and reporting systems. They stress that a simplification is necessary to address the large bureaucratic barriers faced by local/grassroots CSOs trying to access EU funds in developing countries as well as implementing them, and that instruments should be adapted to meet private sector requirements. The procedural requirements are seen by many respondents as not only time-consuming and cumbersome, but in addition, the substantial resources that they require make local CSOs highly dependent on international partners for technical and financial support. A few stakeholders stress that, in general, any review should not be based on the potential to increase EU visibility in thematic areas, but rather on rationalisation and on increased flexibility of the EU budget with adequate guarantees for mainstreaming certain policies in the future. In addition, several contributions highly recommend that all reviews result from an inclusive process involving civil society in order to obtain feedback from partners that concretely experience the current challenges and obstacles of thematic instruments.

---

Moreover, a number of respondents urges the EU to reduces co-financing requirements, and to accept the eligibility of taxes, including VAT, and losses incurred by organisations due to exchange rates to be included into EU funded project costs, because these represent a significant financial burden for grant beneficiaries.
Many respondents draw attention to specific themes that they find important for thematic programmes:

- The European Instrument for Democracy and Human Rights (EIDHR) receives a strong support from contributors and a number of them propose to attribute higher priority and an increased financial envelop to this instrument. Regarding the scope of democracy promotion, one respondent regrets that the current focus on human rights protection and election observation, and proposes to broaden the scope towards support for political actors, who are key engines for developing local structures and providing political alternatives.

- Current DCI thematic programmes are cited by a number of respondents as programmes to be maintained as self-standing instruments as follows: 'Investing in People' (cited by 2 respondents), 'Non-State Actors and Local Authorities in Development' (3 respondents), 'Asylum and Migration' (2 respondents) and 'Food Security' (2 respondents). A few suggestions for possible revamped thematic programmes include transition experience, local and regional authorities, or prioritization given to employment and decent work.

- Climate financing is pinpointed by several stakeholders as an important theme that deserves a proper thematic instrument. It is stressed in several contributions that climate financing must in any case be additional to ODA commitments, in order not to squeeze in scare ODA money in the search of climate funds, and because development goals, such as poverty reduction, health, education and food security, are prerequisites for additional climate financing to be effective.

**Increased flexibility of the geographic limits of EU instruments** is seen by a significant majority of respondents as a crucial way to respond to the interregional nature of key challenges. However, one respondent notes that the current geographical limitation already allows a good understanding of the instruments and promotes their visibility outside the EU. Another aspect pinpointed by a couple of respondents is the significant potential for increasing effectiveness of EU external action by means of creating cooperation areas between the EU's outermost regions and their neighbouring countries.
8.2. Performance evaluation

Question 14

At a time of scarce resources, it is clearly important to ensure that EU external instruments deliver the expected impact. At present, evaluations and monitoring are conducted throughout the project cycle (before, during and after its implementation) as a tool to measure the impact of the activities.

Answers

How do you think that evaluation and performance measuring could be improved?

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. through a stronger focus on monitoring activities during project and programme implementation</td>
<td>33,94%</td>
<td>51,83%</td>
<td>7,80%</td>
<td>0,46%</td>
</tr>
<tr>
<td>b. through a stronger focus on evaluating activities after the implementation phase is over (ex post)</td>
<td>18,35%</td>
<td>54,59%</td>
<td>18,35%</td>
<td>1,83%</td>
</tr>
<tr>
<td>c. through giving more importance to transparency, accountability and traceability of EU funds, even if this would involve additional rules and procedures</td>
<td>20,18%</td>
<td>26,15%</td>
<td>30,28%</td>
<td>7,34%</td>
</tr>
<tr>
<td>d. through greater simplification of the rules governing external financing</td>
<td>42,66%</td>
<td>42,66%</td>
<td>7,80%</td>
<td>1,83%</td>
</tr>
</tbody>
</table>

A stronger focus on monitoring activities during project and programme implementation as well as greater simplification of the rules governing external financing receive a wide approval of contributors as means to ensure that EU external instruments deliver the expected impact. Focusing more intensively on ex post evaluation of activities is also supported by a vast majority of respondents. There is less agreement on the idea of investing more in transparency, accountability and traceability of EU funds, with the risk that it could involve additional rules and procedures.

---

10 Evaluations are a major tool to assess the impact of EU actions in partner countries. The 2007-2013 multi-annual evaluation programme foresees the carrying out of 74 geographic evaluations, out of which 41 ACP countries and regions evaluations. The Commission retained 32 themes and sectors as well as five implementation modalities to be evaluated during these 7 years. This comprises geographic evaluations (at country and region levels), thematic and sectoral evaluations, and evaluations covering aid modalities of the various financial instruments (e.g. budget support) and of the channels of delivery of aid (development banks, the United Nations, European Investment Bank…).

11 The Results-Oriented Monitoring system (ROM) is in place since 2000. Aside from giving external and objective feedback to project and programme management, ROM also provides an overview of the performance of EC development aid portfolio and contributes to lessons learned and best practices. This system covers all countries and regions of EC external cooperation and aims to include all operations with a budget above €1M.

12 These mixed results are due to the fact that most stakeholders are convinced of the importance of transparency and traceability of EU funds, but think this should not necessarily involve additional rules and procedures.
Comments

Both, a stronger focus on monitoring activities during project and programme implementation and increased evaluating activities after the implementation phase is over (ex post) are supported by a considerable majority of respondents. Contributors put more emphasis on monitoring than on evaluation and some explicitly stress that an increased focus on the first should be preferred over the second. Several contributions explain that evaluation systems are functioning rather well and that the focus should be on making better use of its results. The preference on monitoring over evaluation is particularly put forward in the area of humanitarian aid, where a few stakeholders clarify that given the short-term nature and focus on immediate needs in this domain, ex post evaluation is less relevant because of the time that is necessary for impact to become measurable. To improve both the monitoring and evaluation process, many contributors demand an increased focus on lessons learnt, a greater methodological diversity, independent systems and an open dialogue with civil society on definitions of indicators and measuring impact. For all these reasons, a number of respondents call on the EU to fully integrate evaluation and monitoring systems in the functioning of the new set of instruments, as well as in the implementation of the projects and programmes themselves. In addition, they suggest to make the instruments more measurable, accountable and designed to have a maximum impact on development. One respondent points out that the creation of the European External Action Service should be used as an opportunity to apply a consistent evaluation and monitoring model to all institutions. Another contribution underscores that an increased focus on results should not lead the EU to undertake only low-risk, easy measurable and short-term projects or in letting indicators determine strategic choices.

Because many respondents believe that effective accountability is crucial to ensure that the implementation of EU policies corresponds to its commitments, they are in favour of giving more importance to transparency and traceability of EU funds. For this reason they ask the EU to make all information regarding its aid flows and disbursements, as well as the evaluation and impact of existing and previous financial instruments, timely and publicly available. They deem this necessary because the next set of financial instruments can only be accurately designed with precise knowledge on the impact and obtained results of each of the current instruments. To ensure traceability and accurate measurement of the impact of EU funds, a number of stakeholders call on the EU to contribute to the development of independent monitoring and evaluation systems, including in recipient countries, and internationally comparable information standards. While most stakeholders are convinced of the importance of transparency and traceability of EU funds, many of them stress that this does not necessarily involve additional rules and procedures. Instead, recipients’ in-country accountability mechanisms should be strengthened, in particular through enhancing the capacity of national audit institutions, parliaments, civil society and also independent media, as an information broker and monitoring body. One contribution stipulates that this would help to counterbalance the current one-dimensional accountability relationship, going only from recipient to donor and not from donor to the governments and citizens of the aid recipient countries. To increase EU accountability, a few contributors propose to develop a complaint mechanism open to appeal by third country citizens in case they believe their rights are being violated in relation to EU financial interventions. A final smaller group of respondents thinks that current funding rules contain sufficient guarantees for accountability and stress that efforts should especially focus on decreasing the administrative burden for the benefit of effectiveness and efficiency.
The bulk of respondents support a **greater simplification of the rules governing external financing**. Over-bureaucratic procedures combined with heavy and lengthy administrative requirements are seen by these respondents as taking away crucial time and resources from the actual work on development objectives. Several stakeholders note that this simplification should include increased flexibility to adapt to the needs of beneficiaries and to adjust programmes during the implementation phase. Evaluation and monitoring requirements are seen by a significant amount of contributors as overly complicated and they stress that the next financial instruments should not place an undue burden on recipients of EU funding. Others add that internal monitoring and ex-post evaluations conducted by implementing partners should be more valued and treated as eligible costs for EU funding.
8.3. Visibility of external action

Question 15

The EU is often said to lack visibility on the world stage. The EU could better publicise its activities both to raise public awareness in the EU and to increase public support in third countries.

Answers

How could the visibility of EU external funding be enhanced?

<table>
<thead>
<tr>
<th>Option</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. through devoting more resources to information and communication</td>
<td>14,22%</td>
<td>40,83%</td>
<td>33,03%</td>
<td>3,67%</td>
<td>8,26%</td>
</tr>
<tr>
<td>activities in the EU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. through devoting more resources to information and communication</td>
<td>26,15%</td>
<td>35,32%</td>
<td>27,98%</td>
<td>1,83%</td>
<td>8,72%</td>
</tr>
<tr>
<td>activities in beneficiary countries (for instance on projects funded by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the EU)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. through reinforcing the EU's coordinating role among other donors</td>
<td>20,64%</td>
<td>50,46%</td>
<td>7,80%</td>
<td>0,92%</td>
<td>20,18%</td>
</tr>
<tr>
<td>(from within and outside the EU), in-country and in international fora</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. through ensuring that implementing partners (NGOs, International</td>
<td>23,39%</td>
<td>44,95%</td>
<td>20,18%</td>
<td>2,75%</td>
<td>8,72%</td>
</tr>
<tr>
<td>Organisations, governments...) give more visibility to EU financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increasing the visibility of EU external funding by devoting more resources to information and communication activities is advocated by a majority of respondents, with slightly more support for reinforcing these activities in beneficiary countries than in the EU. The two other options proposed to raise EU visibility, namely reinforcing the EU's coordinating role among other donors, in country and in international fora, and ensuring that implementing partners give more visibility to EU financial contributions, obtain a very strong support from stakeholders.

Comments

In general, most stakeholders acknowledge the importance of information and communication activities to improve the visibility of EU external action. However, given the limited resources, many stipulate that this should not be at the expense of programme implementation and that the focus should rather be on a more effective use of the existing resources available for communication. Some respondents underscore that the promotion of EU visibility should focus aim at demonstrating impact of external action and emphasising EU values, rather than being reduced to a profiling/marketing exercise. The latter would,
according to one respondent, entail the risk of overlooking a wide range of project/programmes that may not generate a lot of public attention but nevertheless improve people's lives. Several respondents link visibility to monitoring, evaluation and accountability, as a way to explain and justify the use of EU funds towards EU taxpayers as well as towards beneficiaries. In this same reasoning, one contributor proposes to include a visibility envelop in all programmes and projects.

**Reinforcing the EU's coordinating role among other donors** (from within and outside the EU) is seen by many respondents as an effective way to raise public awareness in the EU and to increase public support in beneficiary countries. While stakeholders unconditionally support increased EU coordination and a more pro-active role in international fora, many of them emphasise that in-country coordination in general should be needs-based and context-specific, meaning that the EU should only take on this role if there is no other actor already coordinating or better placed to do so.

A significant number of stakeholders advocate the promotion of EU visibility through ensuring that implementing partners (NGOs, international organisations, governments, etc.) give more visibility to EU financial contributions. Several underline however that it should not result in more stringent procedures. The existing visibility guidelines and contract conditions for NGOs are perceived by a number of contributors as clear and sufficient.

Several respondents stress that EU visibility is better served by effective policies, solid strategies and presence in third countries, than from increased investments in communication and visibility activities. Another proposed strategy to strengthen visibility is to enhance development education to raise citizens' awareness on EU commitments in external action and development and on the context in which aid is delivered. Finally, the long-standing flexibility provisions which allow modifying visibility arrangements in order to mitigate potential security risks in insecure or politically sensitive areas (e.g. Afghanistan, Iraq, Somalia) are seen by a couple of respondents as valuable provisions that should be maintained.
9. **Other ideas and comments**

**Question 16**

Do you wish to comment on what (parts of) external action instruments/programmes/mechanisms work well, should be continued and built on, or on what could be improved, as well as to suggest other innovative lines of reflection that should be pursued at the EU level related to funding for external action?

**Comments**

Respondents propose a number of ways in which the EU could provide its assistance more quickly, more flexibly and more effectively. A first tendency among respondents focuses on **aid effectiveness**. Both the Paris Declaration and the Accra Agenda for Action are pinpointed as key international commitments that the EU should fully reflect in the next funding instruments and promote on the global stage. They further emphasise that the EU should take on a strong leadership role in the 4th High Level Forum on Aid Effectiveness in Busan in 2011. One contribution adds that the EU should work towards strengthening the political representation of developing countries in international fora and promote the exchange of experience, technologies and knowledge to achieve the aid effectiveness goals. Other respondents suggest prioritising EU investments in the areas that yield the biggest improvements in the lives of the poorest, in particular health, agriculture, water and sanitation, in order to further increase the effectiveness of EU aid.

**Poverty mapping** holds, according to one respondent, the key to delivering the highest possible outcome regarding the objective of poverty eradication. Therefore, the EU should dedicate more human resources for data collection and analysis. Moreover, this respondent believes that the EU should cooperate intensively with its donor partners to set up a comprehensive database of poverty statistics to enable better prioritisation, enhance division of labour among donors and avoid in-country duplication.

Given the difficulties of dealing with new global challenges (including those triggered by climate change), particularly in times of severe budgetary constraints, a significant amount of contributions support the development and implementation of **innovative financing mechanisms**. Most respondents refer in this regard to taxes on airlines tickets and on financial activities/transactions, including currencies, bonuses, bonds, stocks, futures and derivatives.

In order to allow the EU to respond more easily to global challenges and unforeseeable needs, a significant number of respondents propose **increased flexibility margins** within Heading 4 and the EU budget as a whole. They suggest to activate mechanisms to facilitate resource mobilisation in case of natural and man-made disasters (such as the war in Afghanistan, the 2005 tsunami or the Haiti earthquake) or in case of global crises putting at risk poor and vulnerable countries and endangering their populations (such as the 2008 food price crisis).

As already pointed out in the replies to several other questions, many interested persons and stakeholders underscore the importance of **civil society organisations (CSOs)** as independent, autonomous and non-governmental development actors close to local communities, including the most remote and marginalised groups. Firstly, many stakeholders ask the EU to enhance and institutionalise CSOs participation in decision-making processes. Secondly, they propose to earmark and increase funds for civil society, which, according to some respondents, should
be at least 15% of geographic funding. A number of respondents highlight the importance of predictability and regularity of EU funding for CSOs to allow them to plan ahead and ensure continuity and effective implementation of their activities.

Many respondents call on the EU to **simplify procedures for accessing EU funds** (see also 8.1.). A number of stakeholders plead for more consistency in the administration of calls for proposals. Others ask for an alternative to the current tender system that would allow cutting down the number of applications at an earlier stage and lower the burden for both Commission staff and applying organisations. Concerning the simplification of procedures, one stakeholder notes that the current approach towards working in consortia, while entailing the benefits of economies of scale and improved coordination, risks to further marginalise the small and medium sized civil society organisations and to undermine the diversity of partners involved.

One stakeholder welcomes the decision to establish the new **Directorate-General for Development and Cooperation – EuropeAid** (DG DEVCO) and underlines that this DG should be provided with adequate capacity (in particular, a reinforced programming unit) and a well-functioning structure to take on a prominent role in shaping development policy within Europe and beyond, in close cooperation with the EEAS and EU delegations. A number of respondents suggest harmonising all programming documents and collecting them on a rebranded EuropeAid Development and Co-operation DG website. Some underline that this website has a huge potential as an EU project pipeline and a communication tool with partners on current and closed tenders. The opportunities provided by the creation of the **European External Action Service** to increase consistency and coherence of EU external action are underlined by a number of respondents.

Some respondents put forward **support to local producers and suppliers** as crucial to achieve development aims and encourage inclusive and pro-poor growth. In this respect they underscore that EU support should focus on market access and capacity-building. Other enabling factors for growth enumerated by respondents are innovation, research and development programmes and investment promotion.

**Culture** should according to a number of respondents be promoted as a factor in economic and social development and needs to be fully taken into account in the development of the new financing instruments.