Cooperation with developing countries goes all the way back to the beginnings of the European project. From 1957 onwards, the Treaty of Rome has provided for association arrangements, linking overseas territories and the former colonies of certain member states (France, Belgium, Italy, The Netherlands) with the European Economic Community1. Upon achieving independence from the 1960’s onwards, ex-colonies wished to retain the benefits of this association (preferential access to their commodities on the European market and financial assistance). They have since negotiated their new-found relations with the EEC on a contractual basis, the latter wishing to lend its support to fledgling states.

African, Caribbean and Pacific countries
Up until the beginning of the 1980’s, European development aid had been principally provided to African, Caribbean and Pacific (ACP) countries, following a succession of agreements. It was financed in the main by the European Development Fund (EDF), established by the Treaty of Rome. The EDF is financed through voluntary contributions of the member states and is the main European financial aid resource for ACP countries.

1958-1963: implementation of the 1st European Development Fund. From 1963, it was applied in cycles of around five years, generally following those of the partnership agreements/ conventions.

1963-1975: the Yaoundé Conventions govern relations between the EEC and a certain number of French-speaking African countries. In a post-independence context, they defined relations which were not only unprecedented but almost revolutionary – a dramatic shift in mindsets and behaviour – between erstwhile colonies and their former colonial masters.

1975-2000: the Lomé Conventions extend cooperation to former British colonies in Africa, the Caribbean and the Pacific, as well as all of sub-Saharan Africa. They have long since been considered singular models of a veritable North-South partnership.

June 2000: the Cotonou Agreement is signed. Intended for 20 years, the document marks a turning point in relations between the European Community and its 78 partner countries from Africa, the Caribbean and the Pacific, founded on transferring accountability to the ACP countries and their taking over of development actions. The aim is to reduce poverty and incorporate the ACP countries into the global economy.

2000: launching of a more structured dialogue with Africa in order to establish a more strategic partnership with the whole continent (sub-Saharan Africa & North Africa). Cairo hosts the first EU – Africa Summit of Heads of State.

2007: the 2nd Summit in Lisbon adopts the new Joint EU - Africa Strategy.

Asia and Latin America
1976: launching of a financial and technical assistance programme with developing countries in Asia and Latin America (DC – ALA regulation).

1994: launching of the EU’s Asia Strategy, championed since the first EU – Africa Summit of Heads of State in Bangkok in 1996.

1995: launching of the EU - Latin America and Caribbean Strategic Partnership, built upon since the first Head of State Summit in Rio in 1999.

2007: the Instrument for Development Cooperation replaces the old DC – ALA regulation (and also covers more geographical areas).

Mediterranean countries and the Middle East
Towards the end of the 1970s, the EEC begins to establish bilateral cooperation agreements with Mediterranean countries.

1995: launch of the ‘Barcelona Process’ which formalises these relations. Long-term objective: establish an area of peace, stability and free trade between the EU and Mediterranean countries.

1996-2006: the MEDA programme finances cooperation with Mediterranean countries.

2007: establishment of the European Neighbourhood and Partnership Instrument (ENPI) which replaces MEDA and also funds cooperation with neighbouring countries from Eastern Europe.

2008: creation of the Union for the Mediterranean which brings together 43 countries from the EU and the southern Mediterranean.

Eastern neighbouring countries
November 1989: fall of the Berlin Wall. The collapse of the USSR and the communist bloc leads to an extension of the EU’s geographical priorities, in particular with regard to Eastern neighbouring countries.

1991-2006: TACIS is the EU’s main financing programme to CIS countries, ex-Soviet republics.

2007: launch of the European Neighbourhood Instrument, which replaces TACIS, among other mechanisms.

The collapse of the communist bloc is also the starting point for reunitifying the entire European continent.

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1 25 March 1957: the Treaty of Rome establishes the European Economic Community (EEC) which aims to set up a ‘single market’ allowing the free movement of people, goods and capital.

2000-2006: application of PHARE and other aid programmes in Central and Eastern European countries, candidate countries for membership of the EU.

2004-2007: accession of 12 new member states (Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia, Slovenia, Bulgaria and Romania).

January 2007: the new Instrument for Pre-Accession Assistance (IPA) replaces all other aid programmes for candidate countries (Turkey, Croatia, the Western Balkans).

Since its beginnings, Europe has thus seen its relations with southern countries grow rapidly, while its development cooperation has also evolved through a process of political transmutation. The end of the Cold War and the beginning of a new era in international relations prompt it to redefine its role on the world stage. From the 1990’s onwards, the EU continues developing its policy of working beyond its borders. It also needs, however, to define new methods of intervening and reform the type of aid granted so that it can reach its objectives.

New challenges for European aid

Aid reform

2000: launch of a huge reform of EU external assistance, bringing under one banner a strategic revision of development policy and a rationalisation in management to adapt resources to newly emerging challenges and enhance the aid’s effectiveness.

January 2001: establishment of the EuropeAid external cooperation office.

2005: adoption of the European Consensus on Development which confers upon the EU its first common European development policy founded on a common platform of values, objectives and means.

2007: adoption of a voluntary Code of Conduct on the “division of labour” to make work carried out by the Community and the member states more complementary and harmonised. Particular attention is paid to the countries “neglected” in terms of aid and also to fragile states.

Global objectives

The EU has placed the fight against poverty at the heart of its cooperation policy notably as part of the Millennium Development Goals (MDG). Enshrined at the Millennium Summit of the United Nations in New York in 2000, the MDGs form eight objectives which aim to reduce world poverty by half by 2015.

2002: in Monterrey, the community of donors commits to increasing the volume of aid to 0.7% of gross national income in 2015. This has already been achieved by five countries, all European, four of them EU member states (Denmark, Sweden, Holland, Luxembourg), the fifth Norway.

2005: the EU signs the Paris Declaration on Aid Effectiveness. It is the biggest effort ever undertaken to improve aid coordination, endow beneficiary countries with greater control over their policies, better harmonise aid with the priorities of partner countries, enhance transparency regarding the use of resources allocated to development and manage according to results.

While subscribing to the Declaration, the EU commits to pursuing its 4 extra objectives to improve the quality of its aid by according itself quantitative and measurable targets.

September 2008: the third High Level Forum on Aid Effectiveness held in Accra adopts an action programme aimed at accelerating and extending reforms introduced by the Paris Declaration.

European added value

Leading global donor, with nearly 60% of global ODA2 (EUR 46 billion in 2007), the EU has unparalleled expertise in the area. Its added value is based on:

- its global presence and its experience in implementing external assistance.
- synergy between its development policy and other policies which have repercussions for southern countries.
- synchronising best practices and promoting a debate on development.
- coordinating and harmonising external cooperation programmes.
- lending support to democracy, human rights, sound governance and the upholding of international law.
- promoting the involvement of civil society and North-South solidarity.

This added value is reflected in particular in the eight priority areas where the EC is focusing its activities (see factsheet “Global challenges and European priorities”).

Guiding principles

There are certain basic principles which guide how European aid is granted: the use of aid by the partner countries who are primarily responsible for their own development, partnership and political dialogue, the involvement of civil society in development policy, the coherence of policies, the commitment to granting greater levels of aid which is of better quality and more effective, the implementation of the Paris Declaration on Aid Effectiveness, complementarity and the division of labour between donor countries…

For more information…

- Where it is allocated: http://ec.europa.eu/europeaid/where/index_en.htm

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2 Official Development Assistance includes, under the definition laid down by the Development Assistance Committee (DAC), preferential donations and loans transferred from developed countries to developing countries.
The European Union is unique among the community of donors, where it plays a leading role. As the principal global donor, it is eminently committed to achieving the Millennium Development Goals (MDG) drawn up by the United Nations, which aim to reduce extreme poverty in its various guises. It has also strengthened the impact of its actions by refocusing them on areas where it has the greatest experience.

The Millennium Development Goals

Defined at the United Nations Millennium Summit in September 2000, the MDGs comprise eight objectives to be reached by 2015: reduce extreme poverty and hunger; guarantee primary education for all; promote gender equality and women’s autonomy; reduce infant mortality; improve maternal health; tackle HIV/AIDS, malaria and other diseases; ensure a sustainable environment and implement a global partnership for development. The EU has specifically focused its aid on the MDGs and plays a key role in international efforts made to achieve them.

Priorities for European development aid

Instead of spreading itself too thinly over too many sectors, the European Consensus on Development, adopted in 2005, identifies a few key areas in which the European Commission has a relative advantage.

The 8 priority areas

**Trade and regional integration**

Developing countries, taken as a whole, saw their share of global exports rise by 10% between 1995 and 2006. The situation is much less satisfactory for the least developed countries: theirs has risen from 0.42% to a mere 0.66% if oil exports are taken into account; if not, it remains unchanged (Source: United Nations - MDG Gap Task Force Report – August 2008).

Aims:
- strengthen institutions and the abilities of partner countries to bolster their trade and regional integration policies.
- help them take better advantage of the liberalisation of global trade.

"Aid for Trade" encourages the founding of solid regional markets and helps, for example, the ACP countries prepare Economic Partnership Agreements (EPA), enabling them to gradually integrate into the world economy. The EU is the number one trading partner for developing countries.

**Infrastructure (transport and communication)**

In sub-Saharan Africa, only 23% of the population have access to the national electricity network (Source: International Energy Agency - IEA).

For isolated African countries, transport costs may represent up to 75% of the value of exports (Source: United Nations, MDG Gap Task Force Report – August 2008).

Nearly 60% of the population in developed countries used the internet in 2006 compared to 11% in developing countries and 1% in the least developed (Source: United Nations - MDG Gap Task Force Report – August 2008).

Aims:
- create transport networks and viable means of communication at national, regional and inter-regional level.
- advance the use of information and communications technology; contribute to closing the digital divide.

The EU-Africa Infrastructure Partnership also forms part of these objectives.

**Water and energy**

A billion people worldwide do not have sufficient access to drinkable water; 2.4 billion do not have access to sanitation systems and 2.2 million people, mainly children, die each year from illnesses resulting from a lack of clean water, unsanitary conditions and a lack of hygiene (Source: EUWI – EU Water Initiative).

The EU Water Initiative contributes to providing good quality drinking water for all, in line with the MDGs and the objectives of the World Summit on Sustainable Development which took place in Johannesburg.

The EU Energy Initiative aims to improve access to modern, affordable, sustainable, clean and effective energy.

**Sustainable environmental management**

According to the FAO, 13 million hectares of forests are lost worldwide each year. Latin America/the Caribbean (47% of the world's forests) and Africa (16% of global woodland) are the two regions in the world suffering the greatest loss in this respect. It is estimated that by 2020, 135 million people may be forced away from their land because of ongoing desertification (Source: FAO).

Aims:
- support the efforts of partner countries to incorporate the environmental dimension into development, to preserve their natural resources and ensure sustainable management.
Aims:
- help them mitigate climate change, with particular support going to the Least Developed Countries (LDCs) and small island states.
- contribute to preventing natural disasters and setting up a global environmental monitoring system.

Rural development, agriculture and food security


Aims:
- improve food security in developing countries and support strategic approaches in countries in dire need. Emphasis is placed on prevention, safety nets and improving access to resources. In the area of agriculture and rural development, this involves encouraging access to land, water and funding, intensification of production in viable conditions in the long-run and competitiveness in regional and international markets.

Governance, democracy, human rights and support for economic and institutional reforms

More than 54 million Africans participated in 19 presidential and parliamentary elections in 18 different countries in 2007 (Source: Development Centre of the OECD - Policy Insight n° 62 - April 2008).

Aims:
- support public and civil society institutions and contribute to improving global governance. The Community is promoting dialogue with civil society within the country, decentralization, strengthening the role of the parliaments and national mechanisms designed to lead to free and transparent elections.
- encourage respect for human rights.
- bolster the fight against corruption.
- improve basic working standards.
- support economic and institutional reforms, including poverty reduction strategies by helping the governments with a stake in these programmes, with particular attention being paid to improving the management of public finances.

Preventing conflicts and fragile states

Nearly 42 million people are displaced due to conflict or persecution, both inside and outside their own country (Source: United Nations – Millennium Development Goals Report 2008).

Aims:
- contribute to preventing crises, conflicts and natural disasters.
- improve early warning systems in partner countries and regional organisations.

In areas where a crisis has been declared, the EC contributes to continuing basic services and responding to needs in collaboration with civil society and the UN bodies, and in the longer term to putting in place viable institutions.

Human development (health, education)

The number of children who do not attend primary school decreased from 103 million to 73 million between 1999 and 2006 but in sub-Saharan Africa 38 million children still lack adequate access to primary education. A child born in a developing country runs a risk 13 times greater of dying before the age of 5 than one in living in an industrialised country (Source: UNDP – United Nations Development Programme – Annual Report 2008).

Aims:
- make a significant contribution to partner countries’ efforts in achieving the objectives of access to health and education for all.

The EC is funding actions to combat HIV/AIDS, malaria and tuberculosis and to promote sexual and reproductive rights. Priorities in education are organising quality primary education and vocational training, and counterbalancing inequalities, with a particular focus on girls’ education.

Social cohesion and employment

More than 20% of young people in sub-Saharan Africa are without work (Source: Development Centre of the OECD - Policy Insight n° 62 - April 2008). The informal sector represents 58% of gross domestic product (GDP) in Tanzania and Nigeria (Source: UNCTAD).

Aims:
- contribute to preventing social exclusion.
- support dialogue, social protection and actions aimed at countering gender inequality, defend the rights of indigenous peoples and protect children against human trafficking and armed conflicts.
- promote corporate responsibility, investments which increase employment in working conditions laid down by the ILO.

Cross-cutting thematic programmes

While concentrating aid on priority areas, the EC systematically takes these cross-cutting aspects into account throughout its development initiatives. This approach is also taken in the European Initiative for Democracy and Human Rights (EIDHR) which encompasses actions to support democracy and governance, and programmes to support the environment and natural resources, gender equality, health, conflict prevention, migratory flows, civil society and local authorities.

For more information...
- The overarching issues
- Millennium Development Goals
  http://www.un.org/millenniumgoals/
- EuropeAid’s priorities
  http://ec.europa.eu/europeaid/what/index_en.htm
The EC cooperates with 160 countries and regional organisations throughout the world, all of which have quite diverse features. The European Consensus on Development stipulates that cooperation policy must be "tailor made" for each partner country or region, based on the country’s own needs, strategies, priorities and assets. (Art. 57).

This distinction concerns:

- the type of aid (linked to projects, sectoral or budgetary support, humanitarian aid, crisis prevention assistance, support to civil society, strengthening institutions, etc.) according to "what will work best in each country".

- policies to be applied depending on how developed the beneficiary countries are: the least developed countries (LDCs), low-income countries (LICs), middle-income countries (MIC) or those displaying strong growth potential.

Aid comes from two sources: the general Community budget and the European Development Fund, financed by direct contributions from the member states.

The EU as a global partner

The EU has made major changes in the way it conducts its relations with the rest of the world and is today recognised as a ‘global partner’. This approach distinguishes between: countries wishing to join the Union, neighbouring countries and those who mainly qualify for development aid. The EC has also reformed and rationalised the means and instruments available for disbursing this aid.

The number of external aid instruments has been reduced from more than 35 to 9, of which 4 are new (instrument for pre-accession, neighbourhood and partnership instrument, development cooperation instrument, instrument for stability). Aid is nowadays granted through:

- 4 geographical instruments: pre-accession, neighbourhood, development cooperation and the EDF.

- 3 instruments for crisis response: stability, macrofinancial assistance and humanitarian aid.

- 2 thematic instruments: nuclear safety and human rights.

External assistance instruments implemented by EuropeAid

The European Neighbourhood and Partnership Instrument (ENPI)

Launched in 2003, the European Neighbourhood Policy aims to create a “zone of shared stability, security and prosperity involving a significant degree of economic integration and political cooperation”. The ENPI was set up as a new financing instrument in 2007 to support it, replacing MEDA (for the southern Mediterranean, the Near and Middle East) and TACIS (for ex-USSR countries).

Geographical area:
ENPI South: Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, Israel, the Palestinian Authority, Lebanon, and Syria.
ENPI East: Belarus, Ukraine, Moldova, Georgia, Armenia, and Azerbaijan.

The EU and the Russian Federation have a separate agreement.

Budget:
ENPI has EUR 11.1 billion for 2007-2013.

Aims:
Dialogue and support for reforms, legal harmonisation with the EU, strengthening administrative capacities.

Financing instrument for development cooperation (DCI)

The DCI has made significant progress in simplifying, repealing and replacing 13 regulations, in particular the DC - ALA regulation which governed cooperation between Latin America and Asia. It also takes over some of the work of TACIS as regards Central Asia. Some funds also go to ACP countries for specific programmes as well as South Africa.

Geographical area:
The DCI covers widely varying geographical areas: Latin America, Asia, Central Asia, South Africa and the Middle East.

It also includes programmes which may also be used for the ACP and ENPI countries (social and human development, environment and sustainable management of natural resources, non-state actors, food security, migration and asylum, the ACP sugar protocol, promoting democracy and human rights).

Budget:
the indicative amounts are EUR 16.9 billion for 2007-2013.

Aims:
Reducing poverty as part of sustainable development, including efforts to achieve the Millennium Development Goals. Emphasis
is placed on support to democracy and human rights, sustainable development and environmental conservation and the integration of partner countries into the world economy.

**The 10th EDF (European Development Fund)**

Aid to African, Caribbean and Pacific countries (ACP) is not part of the EU's general budget but rather the European Development Fund (EDF), created in 1957, directly financed by the member states and renewed once every 5 years.

**Geographical area:**

78 ACP countries¹ plus OCTs, overseas countries and territories.

**Budget:**

The 9th EDF (2002-2007) was worth EUR 13.5 billion. The 10th (2008-2013) has EUR 22.7 billion (an increase of 35%).

**Aims:**

Promoting and accelerating economic, social and cultural development, contributing to peace and security, and advancing a stable and democratic environmental policy. In addition to these priority sectors defined in the strategy documents by country and the indicative programmes, the EC has launched new initiatives such as the “EU-ACP Water Facility”, the “EU-ACP Energy Facility”, the “EU-Africa Infrastructure Trust Fund” and the Edulink intra-ACP programme (education/higher education).

**The Instrument for Stability (IFS)**

The short-term component of this instrument aims to prevent or respond to crisis situations and conflicts via mediation, dialogue and reconciliation, supporting state democratic institutions, international criminal tribunals and truth and reconciliation committees. It also covers the restoration of infrastructure and the demobilisation and reintegration of former soldiers. It is managed by the External Relations Directorate-General.

Its second component is managed by EuropeAid and aims to increase the abilities of partner countries to counter regional and international threats.

**Instrument for Nuclear Safety Cooperation (INSC)**

This finances measures aiming to strengthen nuclear safety, protection against radiation and the application of effective control measures in nuclear matters in non EU member countries, in particular neighbouring countries. Its 2007-2013 budget is EUR 524 million.

**The financing instrument for the promotion of democracy and human rights worldwide**

Born of the EIDHR (European Initiative for Democracy and Human Rights), this new instrument complements the geographical instruments which aim to promote human rights and democracy. Its geographical field spans the entire world. It has a budget of EUR 1.1 billion for 2007-2013.

Other instruments not managed by EuropeAid are part of this one:

- **The Instrument for Pre-Accession Assistance** (Enlargement Directorate-General).
- **Macrofinancial assistance** (Economic and Monetary Affairs Directorate-General).
- **Humanitarian aid** (ECHO, the Commission’s humanitarian aid office).
- **Financing instrument for cooperation with industrialised and other high-income countries and territories** (External Relations Directorate-General).

¹ List of ACP countries on: http://ec.europa.eu/development/index_en.cfm

For more information...

- External aid instruments
- Financing instrument for development cooperation
The EU is the principal source of development aid worldwide. Four member states (Denmark, The Netherlands, Sweden, Luxembourg) have already achieved the United Nations objective of setting aside 0.7% of their GNI for development by 2015.

Collectively, the EU awarded more than EUR 46 billion in external assistance in 2007 (60% of worldwide public aid), i.e. 0.4% of EU gross national income, allocated as follows:

- EUR 37.2 billion for bilateral aid granted by the member states.
- EUR 8.7 billion awarded by the Commission on the Community’s behalf.

Certain member states (Germany, Austria, Bulgaria, Denmark, Spain, Estonia, Lithuania, Luxembourg and Romania) increased their aid in 2007 in terms of percentage of economic production; however, 17 of them did not keep to their promise of increasing ODA, with 11 even decreasing it.

This minor dip is part of a wider decrease in the total aid given by the 23 countries of the Development Assistance Committee (DCA) which, as part of the Organisation for Economic Cooperation and Development (OECD), brings together the world’s main donors (including 15 EU member states + the European Commission, the US, Canada and Japan). The decrease is partly caused by the reduction in donations for debt relief in 2007. Public aid had indeed reached exceptional levels in 2005 and 2006 following substantial debt remittances granted within the framework of the Paris Club in Iraq and Nigeria and included in the final tally of ODA.

While not all the member states of the EU have kept to their commitments, aid granted by the European Commission on behalf of the Community is consistently on the rise: EUR 8.7 billion in 2007 as against EUR 7.6 billion in 2006.

It is thus incumbent on the member states to step up their efforts so that the EU, which plays a pivotal role in the donor community, achieves its objective of dedicating 0.7% of its GNI to development aid by 2015. To stay the course, the Union has introduced procedures designed to monitor progress in this regard.

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1 2007 statistics of the Development Assistance Committee (DAC) of the OECD.

Sectoral breakdown of ODA managed by the EC in 2007

Commitments in € million

- Social infrastructures: education, health, water, government & civil society, other (608 M€, 6.1%)
- Economic infrastructures & services: transport, communication, energy, other services (4,063 M€, 42.9%)
- Production: agriculture, forestry & fishing, industry, mining & construction, trade & tourism (1,064 M€, 10.7%)
- Multisector/crosscutting: environment, other (988 M€, 9.9%)
- Budget support, food aid, food security (718 M€, 7.2%)
- Debt-related action (873 M€, 8.8%)
- Humanitarian Aid (23 M€, 0.2%)
- Other/unallocated: admin. costs, support to NGOs, unspecified (1,411 M€, 14.2%)

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For more information...

- How is aid distributed?

- Donor atlas:
The EU - the member states and the Commission - provided in total some 60% (EUR 46 billion in 2007) of worldwide public aid. Its presence is essential on the international scene as regards funding, policies and strategies. Provision of aid entails close-knit cooperation between the Commission and the member states who jointly define the main strategic guidelines for aid granted by the Community.

The Commission’s role

The EC plays a dual role, bilateral donor and coordinating body between the member states. It provides added momentum as its status adds value which far exceeds anything that the member states could do on their own as regards development cooperation.

Defining policy and programming
Drawing up global and sectoral policies and programming for European aid falls under the responsibilities of the Directorate-General for Development and the Directorate-General for External Relations, and is also part of Neighbourhood Policy. These two DGs take charge of political relations and development cooperation programming, depending on the geographical area they cover.

The Directorates-General
The Development Directorate-General is specifically responsible for drawing up policies and coordinating relations with the states of sub-Saharan Africa, the Caribbean and the Pacific, as well as with the African Union, the regional economic communities and the overseas countries and territories.

The Directorate-General for External Relations creates policies on relations with the rest of the world (i.e. non-ACP countries). It is responsible for aid programmes in the Mediterranean, Eastern neighbouring countries, Asia, Latin America and the Middle East.

EuropeAid (see factsheet “EuropeAid – At the heart of the matter”)
The role of this DG is essential in implementing the majority of programmes and instruments regarding external European assistance. Falling under the responsibility of the Commissioner for External Relations, in close partnership with the Commissioner for Development, the EuropeAid cooperation office is charged with achieving the objectives defined by both DGs.

An enlarged team
Many Union policies other than that of development cooperation have direct or indirect impacts for developing countries:

- The Trade DG plays an important role in ensuring coherence between trade and development policies in the EU.
- The Enlargement DG takes care of the accessions of EU candidate countries.
- The Economic and Monetary Affairs DG is responsible for macro-financial aid, helps develop the Community’s economic strategy regarding developing countries, ensures coordination with multilateral development banks and plays an important role in handling debt issues in developing countries.

Other Community policies may also impact development actions. The DGs for Environment, Energy and Transport, Justice, Freedom and Security (especially in matters regarding migration), also play a part, as far as their competences allow, when it comes to issues concerning southern countries.

The delegations
Setting up EuropeAid involved outsourcing a number of competences to the Commission’s delegations in beneficiary countries, which have been strengthened as a result. Delegations are responsible for identifying projects, evaluating feasibility as well as monitoring the results. EuropeAid is located in Brussels and is responsible for overall coherence. It offers general support, thematic and quality services.

Other European stakeholders

The member states
National level:
The member states also engage in their own bilateral cooperation with developing countries. In 2005, the “European Consensus on Development” reiterated the complementarity of Community aid with that of the member states. In 2007, the EU adopted a voluntary Code of conduct on the “division of labour”. Links are already in place in the field (Vietnam, Bangladesh, Nicaragua, Cambodia, Tanzania, Uganda, Ghana, etc.).

Community level:
While the Commission plays a key role in formulating assistance policies and regulations, the decision remains with the member states as part of the Council of Foreign Affairs.
Ministers, which makes declarations by qualified majority, in co-decision with the European Parliament. The Council also makes international agreements and association agreements, such as the Cotonou Agreement, by unanimous vote.

The European Parliament
The European Parliament has a right of scrutiny regarding policy and expenditure related to development aid. It is involved in amending and approving general policies in financial perspectives and budgets; it participates by approving regulations in co-decision with the Council and examining documents regarding multiannual programmes and funding decisions. The EP also gives discharge to the Commission for the execution of the Community budget.

Collaboration with civil society and NGOs
EuropeAid also appeals to the expertise of a large number of partners in channelling aid, to make sure it achieves the intended objective and in the most efficient way. Civil society organisations, both in Europe and developing countries are among its main partners.

The EIB
The European Investment Bank (EIB) supports European development cooperation policies under the guise of loans which it grants to the latter as well as in terms of specific mechanisms such as the FEMIP (Facility for Euro-Mediterranean Investment and Partnership) and the EU-Africa Infrastructure Trust Fund.

The Court of Auditors
The Court verifies Community accounts and examines budgetary management, in particular regarding the proper use of resources. It carries out many audits of activities which fall under the remit of external relations.

International coordination
EuropeAid collaborates with a series of international organisations which all have their own network and whose competences can be useful for channelling, managing and monitoring EU development aid. In particular it works in close partnership with the United Nations, the Organisation for Economic Cooperation and Development (OECD) and the World Bank.

For more information…
- EuropeAid – who does what?
  http://ec.europa.eu/europeaid/who/
  whoswho/index_en.htm
- EuropeAid’s partners
  http://ec.europa.eu/europeaid/who/
  partners/index_en.htm
The EuropeAid external cooperation office is the European Commission’s Directorate-General responsible for implementing external aid provided by the EU and programmes created by the Directorate-General for External Relations and the Directorate-General for Development.

EuropeAid was established in January 2001 in order to substantially improve the management and efficacy of aid, allow the EC to formulate better aid policies and strategies and enhance the presence of the European Union on the world stage. Since EuropeAid is at the centre of matters relating to aid, it manages around EUR 8 billion/year.

**Putting policy into practice**

EuropeAid plays a crucial role in:
- converting policies into real action.
- providing effective aid which will help improve the living conditions of people around the globe.
- increasing quality and speed when it comes to implementing aid, guaranteeing sound financial management, coherent and transparent public procurement procedures and creating new means of distributing aid (budget support, sectoral support).

**The mission**

EuropeAid plays a crucial role in development policies and the European Commission’s external relations. It implements the majority of the external aid programmes and instruments. Its creation allows all the phases of one project cycle to be integrated – identification, formulation, financing decision, implementation and evaluation/audit – in a single structure. EuropeAid is responsible for all of these phases and all the steps on the way towards channelising aid and must ensure optimum efficiency.

**Organisation**

EuropeAid is under the responsibility of the Commissioner for External Relations, in close collaboration with the Commissioner for Development.

It consists of seven directorates and four units which fall directly under the responsibility of the Director General. Four directorates are geographical, two supervise the quality of work carried out and thematic projects and the last deals with questions of organisation.

**Geographical directorates**

The four geographical directorates cover the following regions:

- **A**: Europe, the Southern Mediterranean, the Middle East and the countries part of the Neighbourhood Policy.
- **B**: Latin America.
- **C**: Sub-Saharan Africa, the Caribbean and the Pacific.
- **D**: Asia and Central Asia.

They are responsible for managing the entire project cycle in their respective geographical zones. The Directorates’ role is to:
- plan the implementation of activities by country and region.
- ensure methodological coherence and quality assurance.
- adopt guidelines and instructions for the delegations in the field whose actions they supervise and manage operations which cannot be delegated.

**Non-geographical directorates**

**Directorate E - Quality of operations**

Oversees the quality of programmes and aims to improve their effectiveness by:
- coordinating assessments on the different approaches and instruments used for implementing them.
- developing guidelines for the preparation and implementation of programmes.
- providing support, when requested, to delegations and geographical directorates in relation to the preparation, implementation, monitoring and evaluation of programmes.

**Directorate F - Thematic Operations**

Oversees all the thematic programmes (human rights, the environment, certain social and human development programmes such as health or gender equality, food security,
nuclear safety and the instrument for stability) which are not affiliated to a particular region.

**Directorate G - Resources**

provides the human, financial and technical resources needed by the DG to perform its mission. It also deals with relations with the Parliament, the Council and international organisations.

**Units falling directly under the responsibility of the Director General:**

- **Unit 1:** Organisation strategies, aid effectiveness and relations with bilateral donors.
- **Unit 2:** Internal audit capability.
- **Unit 3:** Evaluation (please see below).
- **Unit 4:** Information, communication and front office.

**The Evaluation Unit**

The different types of aid undergo evaluation and regular monitoring in terms of their results. The Evaluation Unit is common to DGs Development, External Relations and EuropeAid. Administratively attached to EuropeAid, it reports directly to the Commissioners in charge of External Relations and Development.

Its mission is to:

- carry out geographical (by country or region) and thematic (in the areas of health, education, transport, etc.) evaluations of aid programmes.
- evaluate instruments such as the sectoral approach or budget support and channels of distribution (development banks, UN agencies, non-state actors, etc.)

Joint evaluations with other donors take place more and more frequently.

**Decentralization**

The implementation of European aid is highly decentralized. Most of the preparatory work and implementation is done by the Commission’s delegations in the beneficiary countries. Currently there are around 120 in Africa, Asia, the Western Balkans, the Caribbean, Eastern Europe, Latin America, the Mediterranean, the Middle East and the Pacific. Two out of three Commission employees who work on the implementation of aid work actively in the field.

This significant transfer of responsibilities from Brussels to the delegations has been a key element of the reform process, which is highly valued by the partner countries. This is a basic management principle which aims to make sure everything which can be managed and determined in situ is done so, and not in Brussels.

**Coordination with other stakeholders**

EuropeAid’s staff are specially trained to cope with rapidly changing circumstances and can act as liaison with other bilateral and multilateral donors such as the United Nations. EuropeAid works in close partnership with development agencies in the member states as well as with international financial institutions such as the World Bank. In addition, it is involved in ongoing dialogue with NGOs and other non-state actors both within the EU and in the beneficiary countries themselves.

For more information...

- About EuropeAid
  http://ec.europa.eu/europeaid/who/about/index_en.htm
- About the European Commission delegations
Aid effectiveness forms one of the European Union’s central objectives. The EU devotes billions of euros in aid to developing countries; within its defined objectives, EuropeAid must ensure that these resources are used and managed appropriately. Different indicators demonstrate that significant progress has been made in managing external EU aid since its reform and the creation of EuropeAid.

More aid

The EU is by far the world’s largest aid donor. Its official development assistance amounts to EUR 93 per citizen (in Japan this is EUR 44, and the US EUR 53)\(^1\). It has committed to doing more by increasing its annual aid by EUR 20 billion which should exceed EUR 66 billion in 2010. Half of this increase will go to Africa.

In 2007, EuropeAid ended another year of financial activity. By the end of 2007, worldwide commitments amounted to EUR 7.9 billion, contracts to EUR 7.3 billion and payments to EUR 6.7 billion. The Commission thus achieved in that year nearly all of its financial objectives, even exceeding the target set for global commitments and contracts. EDF payments reached EUR 2,920 million, the highest amount ever reached (EUR 2,826 million in 2006, EUR 2,544 million in 2005).

Better aid

**The Paris Declaration on Aid Effectiveness**

Signed in 2005 by around a hundred countries and multilateral organisations, this document lays out a plan of specific actions for improving aid effectiveness.

**The EU played a decisive role in drawing up the Declaration**

There remains much to be done, however, both for donors and beneficiary countries.

The main principles in aid effectiveness entail:

**Policy coherence**

Policy in one area must not be a hindrance to any other. The EC is becoming more and more vigilant in harmonising its external aid with other policies which may impact developing countries, such as: trade, the environment, climate change, security, agriculture, fisheries, the social element of globalisation, job promotion, migration, research and innovation, the information society, energy and transport.

**Strengthened coordination and harmonisation**

Programming and implementing aid in partner countries was the subject of a Code of Conduct on the Division of Labour in 2007. The aim of this is to increase aid effectiveness using a better allocation system drawing on the relative advantages of each European donor, including the Commission.

The Code aims to:

- ensure the complementarity of activities and the division of work between the member states and the Commission.
- mitigate duplication and wastage.
- reduce the number of donors in a country or sector which already receives enough aid and increase help for ‘orphan’ sectors.
- encourage joint programming for bilateral and Community aid.

**Aligning and incorporating policy**

Aligning donor aid with strategies and procedures in partner countries and incorporating development programmes locally are basic principles in the EC’s external aid policy and are enshrined in the European Consensus on Development.

**A new means of granting aid: budget support**

Development aid is granted in different ways depending on the situation (aid for projects or sectoral programmes, budget support, humanitarian aid, support to civil society, harmonising standards, rules and legislation). The EC is making ever greater use of general aid, budget support or sectoral aid whenever circumstances allow. Budget support involves transferring funds directly to the beneficiary country to support its policies of economic reforms or poverty reduction. Beneficiary countries are selected using rigorous criteria, and so they must demonstrate they have made progress in reforms and provide demonstrable proof of sound financial management.

Budget support contributes to:

- speeding up the appropriation and predictability of aid.
- funding national strategies aimed at reducing poverty.
- promoting sound and transparent management of public finances.

**The Accra Forum on Aid Effectiveness**

In September 2008, the 3rd High Level Forum on Aid Effectiveness adopted an action programme to improve the way the Paris Declaration was being implemented. The EU tabled very ambitious measures to make headway in achieving aid effectiveness. The action plan also includes proposals to:

- use, preferentially, national systems in partner countries for implementing aid.
- divide and better coordinate tasks between donors as well as between donors and beneficiaries.
- avoid tying funding to a series of conditions.
- apply conditions based on development results expected from beneficiary countries.

\(^{1}\) IP/08/1284 (EC Press Office - September 2008)
Thanks to this transfer of responsibilities from Brussels to the delegations, the Commission has a number of strict procedures in place to ensure the quality, before taking any funding decisions. It allows streamlined information exchange to take place between Brussels and the delegations as regards preparing planned measures.

The Commission has a number of strict procedures in place to evaluate aid effectiveness. A system for monitoring the results (so-called ‘Results-Oriented Monitoring’, or ROM), allows EuropeAid to:
- evaluate the results of projects and programmes. It verifies progress made using a very clearly defined method and a series of indicators and criteria agreed upon internationally, the reports regularly published by delegations and the findings of independent experts in the field.
- assess the conformity of results using pre-defined objectives and thus draw lessons for the future.

Evaluations over the past few years indicate a steady improvement of projects’ overall effectiveness.

Faster aid

On the back of the reform begun in 2001, 2007 was a record year for implementing development projects.

Thanks to this transfer of responsibilities from Brussels to the delegations and better planning of programmes, the Community’s aid is now channelled in a much more streamlined way. This means that in comparison to pre-reform years, EuropeAid now has a shorter lag time between the decision to fund a project and the project becoming a ‘done deal’ (with all the steps that this implies – selecting the project, preparing and signing the contract with the beneficiary, making payments and subsequent monitoring and evaluation) a few years later.

In Afghanistan, for example, the EC allocated EUR 1.2 billion in aid between 2002 and 2006, helping to reconstruct the country. This exceeds the commitments it took on in 2002. Money was committed and distributed with great rapidity. The EC has pledged a further EUR 610 billion for 2007-2010.

Following the tsunami in December 2004 in south east Asia, the EC immediately released emergency funds and ensured it continued its action during the humanitarian phase and reconstruction. It very quickly put in place programmes allowing the population to rejoin the workforce while at the same time participate in restoration works.

The EC is the number one global donor to Palestinians. The new support mechanism for the Palestinian people, PEGASE, launched in February 2008, allows aid to be given to the triennial reform and development package drawn up by the Palestinian authorities. Following its implementation, PEGASE has enabled salaries to be paid and public services to be maintained.

Decentralising aid

Following the transfer of responsibilities from Brussels to the delegations:
- Community aid is channelled more rapidly and effectively.
- the impact of aid and its profile are visibly enhanced.
- the Commission and the member states work closer together in the field.
- the Commission is considered a more accessible cooperation partner and more service-oriented.

Transparent aid, delivered responsibly

In charge of implementing the majority of external aid instruments, EuropeAid is obliged to give regular and detailed accounts of its activities (see factsheet “How is aid distributed?”). Given its responsibility for managing the resources available, billions of euros need to be released from the external aid budget in a transparent and responsible manner. To do this, it has effective management, supervision and monitoring systems in place to guarantee sound financial management as well as coherent and transparent procedures for awarding contracts. Transparency also relies upon open dialogue with the other European institutions.

EuropeAid publicly communicates the monitoring of results and its evaluation reports are accessible online:
http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm

Putting calls for tender and proposals online from the outset of a project also increases the transparency of operations.

The list of recipients of European funds is accessible on the following site:
http://ec.europa.eu/europeaid/work/funding/beneficiaries_en.htm

EuropeAid’s information point (http://ec.europa.eu/europeaid/infopoint/index_en.htm) has increased communication with the public and informs the citizen on work carried out.

For more information...

- Promoting aid effectiveness
- Paris Declaration on Aid Effectiveness
  http://www.oecd.org/document/18/0,3343,en_2649_3236398_3540155_1_1_1_1,00.html
How is aid distributed?

Projects financed by the EU must enable the development objectives defined with the partner countries to be achieved. They are completed in different stages, from design to implementation and evaluation. EuropeAid is in charge of the whole project cycle but delegates responsibility for work designed to streamline management in the field to the delegations in the countries themselves.

The project cycle

Programming
The Directorate-General for Development (for the ACP countries) and the Directorate-General for External Relations (for the Mediterranean countries, Eastern Europe, Asia and Latin America) are responsible for programming external aid. They draw up strategy documents by country and region (CSP/RSP), each for their geographic area, in partnership with the delegations and partner countries.

Strategies
Strategic documents:

- include an analysis of the political, economic and social context of the partner country and a description of its development strategies which will serve as a basis for directing Community aid.
- focus on a certain number of areas where the Community has a relative advantage.

Indicative programmes
Strategies are complemented by national/regional indicative programmes. These NIP/RIPs:

- offer a more detailed description of planned actions, their approximate amounts and the timeline for execution.
- define (over a period of between three and five years) the actions which need to be carried out to reach the objectives laid down in the CSPs and RSPs.

Action plans
Following this, annual action plans are generated. These outline the actions and specific programmes to be funded for each partner country and region during the following 12 months. The strategies and programmes are laid down jointly with the partner countries.

Implementation in the field
EuropeAid is responsible for converting the strategies and programmes into real action. It is usually the delegations in the field who identify the actions to be carried out in each country, study how feasible they are, implement them and make sure they are monitored and assessed. Brussels is responsible for coordinating, organising and reporting on the progress made. It offers general help and looks after the quality of programmes.

Regional and horizontal programmes concerning several partner countries are partly managed directly from Brussels. Each EuropeAid director regularly reports to the Director-General on the activities, results and use of resources, bearing in mind field reports from delegations. The Director-General then draws up a general account of EuropeAid's activities each year for the Commission, in addition to political achievements, management performance, internal controls and the state of its finances. EuropeAid is directly responsible for managing the resources at its disposal.

Rigorous monitoring of financial activities
By using its control mechanisms, EuropeAid guarantees sound financial management and full transparency in awarding contracts.

Prior controls are carried out on each transaction before its authorisation and serve to eradicate errors. In addition sample tests are carried out on transactions (payments, recovery orders, advance funding authorisations) and audits are used which are part and parcel of the project management cycle. The main results of 2007 demonstrated that funds were spent in accordance with the general standards required.

EuropeAid's activities are scrutinised by the Parliament and the Court of Auditors of the European Union as part of annual discharge procedures related to the way the Commission's budget is executed and its use of the European Development Fund (EDF).
Partners

EuropeAid appeals to the expertise of a large number of partners to channel aid in the most effective way: civil society organisations, international organisations such as the United Nations, and the Organisation for Economic Co-operation and Development (OECD - [http://www.oecd.org/home/0,3305,en_2649_201185_1_1_1_1_1_1,00.html]).

Means of channelling aid

Aid programmes are bolstered by an array of mechanisms (e.g. project aid, budget support, crisis prevention assistance, support to civil society, harmonisation of standards, regulations and legislation).

This allows EuropeAid to cope with the specific needs of different partner countries in different contexts. EuropeAid has a number of financial instruments at its disposal, both those financed by the Community budget and the European Fund for Development.

It can use three different types of approach for channelling aid to the beneficiary country:

- the project approach – traditional, allowing specific projects to be financed (roads, hospitals, schools, etc), adhering to deadlines and stipulated budgets.
- the sectoral approach involves transferring funds to the partner country’s budget for supporting the implementation of a policy in specific sectors.
- budget support allows aid to be granted directly from funds to the beneficiary country’s budget. The country has to conform to strict criteria regarding reforms and sound financial management. Aid, which is rigorously controlled, must be translated into concrete results on a macroeconomic level as regards the management of public finances, poverty reduction and social and economic reforms.

For more information...

- Channelling aid
  [http://ec.europa.eu/europeaid/how/delivering-aid/index_en.htm]
- Assessing the results
  [http://ec.europa.eu/europeaid/how/evaluation/index_en.htm]
Organisations and people wishing to collaborate with EuropeAid can get easy access to all the information they need on development projects, their funding procedures and rules regarding public procurement. EuropeAid grants its aid in different ways, in particular via projects governed by contracts designed to ensure their implementation. There are two types of contracts:

- contracts regarding subsidies.
- public procurement contracts.

EuropeAid online

EuropeAid has developed a series of information tools on its website with a view to improving the quality of service provided to potential aid applicants.

People and organisations wishing to collaborate with EuropeAid will find all general information on the "Work with us" internet section. There you will find information on the Community funding available, guidelines on how to submit an application for a grant, relevant procedures, calls for tender and job opportunities.

Getting a grant

Grants are direct financial contributions from the EU's budget. They are allocated in the form of donations to third parties involved in external aid operations (civil society organisations and international bodies), as part of calls for proposals.

They consist of two categories:

- those supporting specific activities from programmes managed by the Commission.
- operating grants which cover the expenditure of organisations whose activities dovetail with the interests of EuropeAid.

Grants are subject to a written agreement signed by the two parties and generally require co-financing by the beneficiary. They cover a series of widely varying areas.

Since its launch in 2001, the Cooperation Office has been involved in partnerships with more than 5,000 organisations. It coordinates more than 200 calls for proposals each year with the EU delegations, receives and analyses around 13,000 project proposals and funds thousands of new grants.

Calls for proposals

Organisations wishing to obtain a grant must respond to a specific call for proposals, published on the Europa site: https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1225437819546&do=publi.welcome&userlanguage=en

Candidates wishing to submit a grant application should closely examine calls for proposals on EuropeAid's website and present a proposal for action which corresponds to the objectives and conditions outlined, and within specific deadlines.

Procedures for awarding grants are enumerated in the "Practical Guide to contract procedures for EC external actions". All calls for proposals and contracts signed with EuropeAid are governed by this guide, which also includes a series of annexes, one of which is the standard contract. Procedures are described on the Europe site: http://ec.europa.eu/europeaid/work/procedures/index_en.htm

PADOR, the online registration service for potential applicants for grants

Launched in 2007, the PADOR system is aimed at organisations wishing to receive a grant as part of a call for proposals related to one of the instruments managed by EuropeAid. PADOR is not applicable when the beneficiary country manages a call for proposals.

Organisations which register their information in PADOR (administrative data, financial data, experience, audit report, staff composition, strategies and organisational methods, etc.) will no longer need to submit it for each call. This system means they can be identified and a database created common both to EuropeAid and the delegations.


Online training for the PADOR system is available via the following Europa site: http://ec.europa.eu/europeaid/work/onlineservices/pador/e-training/pador-e-training_en.htm

For all information requests, please send an e-mail to the PADOR user support service: europeaid-on-lineregistration-hd@ec.europa.eu
Obtaining a public procurement contract

Service contracts, supply contracts and contracts for works are made between the Commission and an individual or a corporate entity (a company), mainly from the private sector. When EuropeAid wishes to purchase supplies (property, equipment, information technology equipment, office equipment, publications, promotional articles, etc.) or services (studies, audits, training, consultancy, translations, etc.) or carry out work on infrastructure (buildings, roads, etc.) under its programmes and external aid projects, it launches a public procurement procedure which leads to a procurement contract being concluded. Calls for tender guarantee the transparency of operations and the best value for money. Public procurement procedures are governed by specific rules which vary according to the nature of the contract (services, goods, work) and according to the budget. These are outlined in the “Practical Guide to Contract procedures for EC external actions”.

Documents are available on the following Europa site: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

Job opportunities

EuropeAid is regularly on the lookout for candidates to work in Brussels and its delegations around the world.

The European Personnel Selection Office (EPSO) manages recruitment procedures for officials, contractual agents and temporary agents.

Information is available on the webpage: http://europa.eu/epso/index_en.htm

Individual experts

The European Commission’s Humanitarian Aid department (ECHO) regularly launches calls for expressions of interest to individual experts to help carry out technical assistance missions to benefit non EU member countries as regards humanitarian aid. Information is available on the Europa site (internet address to be found in the box).

The Community Training Programme for Experts in the Commission Delegations – the JED Programme

The Directorate-General for External Relations (RELEX) has set up the “JED Programme”. This is aimed at providing qualified university graduates from EU member states with invaluable experience in the European Commission’s External Service Delegations located in particular in developing countries. Sponsored by the Commission and the member states, it enables successful candidates to be employed as a full member of the staff of a delegation for two years.

Interested candidates must submit an application form to the authorities responsible for the JED programme in their member state or, in the absence of such an authority, the Permanent Representation in their country (internet address to be found in the box).

Trainees

The Commission also has an official traineeship programme, mainly aimed at young university graduates (internet address to be found in the box).

Seconded National Experts (SNEs)

Seconded national experts generally belong to the civil service of the EU member states. They are usually recruited via the Permanent Representations to the EU (internet address to be found in the box).

For more information...

- To work with EuropeAid http://ec.europa.eu/europeaid/work/index_en.htm
- PADOR, the online registration service for potential grant applicants http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm
- DG ECHO individual experts http://ec.europa.eu/echo/jobs/experts_en.htm
- Trainees http://ec.europa.eu/stages/index_en.htm
- Seconded national experts http://ec.europa.eu/civil_service/job/sne/index_en.htm