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**COMMISSION STAFF WORKING DOCUMENT**

**Evaluation of the Development Cooperation Instrument**

**Accompanying the document**

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

**Mid-term review report of External Financing Instruments**

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## EXECUTIVE SUMMARY

This Staff Working Document evaluates the Development Cooperation Instrument (DCI) at its mid-term, covering the period January 2014 to June 2017.

With an initial financial envelop of EUR 19.7 billion, the DCI is the main financing instrument within the EU budget available to support its development policy. It is one of the External Financing Instruments of the Multiannual Financial Framework 2014-2020 of the EU. Its overall objective is to eradicate poverty in partner countries and provide a long-term response to global challenges. It is made of three components: a) the geographic programmes that, so far, have funded bilateral cooperation with 29 countries and 3 regions; b) the thematic programmes which finance Global Public Goods and support Civil Society Organisations and Local Authorities; c) the Pan-African programme which funds the implementation of the joint Africa-EU Strategy.

The DCI remains overall relevant and fit for purpose, both when it was adopted and at the mid-point of its implementation. It is broadly in line with new policy documents (e.g. the new European Consensus on Development and the 2030 Agenda for Sustainable Development) although implementing certain priorities, could be difficult in its current format. It has largely been able to respond to new challenges that have arisen (e.g. the migration crisis); and has for the most part responded to beneficiary needs although they can place a different weight on EU values/global agenda.

Concerning effectiveness, while bearing in mind the difficulties in measuring development progress due to, for example, the number of other actors contributing to the same or similar goals, the DCI appears to be largely on track to deliver on its long-term objectives and commitments. Countries receiving the bulk of DCI assistance are showing signs of poverty reduction. Data on results is nevertheless limited for 2014-2017 and because monitoring and evaluation at instrument level was not well defined in the DCI Regulation, systems are not always in place to ensure proper follow up.

The DCI's principles of differentiation and graduation have intentionally left a gap in the instrument's ability to cooperate on poverty with Upper Middle Income Countries through bilateral cooperation. As situations in those countries may call for such support (e.g. due to the persistent presence of poverty, inequalities and post-crisis situations), the thematic and regional programmes were expected to meet this gap but this was not always the case.

The DCI is generally efficient when looking at organisational performance but some of its users still view it as administratively burdensome.

The EU and the DCI's added value are apparent through a number of factors such as its independent/supranational status and its ability to lead on joint actions with Member States.

There is some, often anecdotal, evidence of coherence existing between the different components of the DCI, and with the other External Financing Instruments.

When it comes to leveraging funds, the DCI has seen significant results, however, the outcomes appear less positive on the instrument's ability to support political and policy leveraging.

The findings/conclusions of the evaluation will feed into the reflection on how to improve the implementation of the DCI for the remaining period until 2020, and on the future set of External Financing Instruments for the next Multiannual Financial Framework.

## **1. INTRODUCTION**

### **1.1 Purpose of the evaluation**

This document sets-out the results of a mid-term evaluation of the Development Cooperation Instrument<sup>1</sup> (DCI) 2014-2020. The evaluation assesses whether the instrument is fit for purpose, based on its performance to-date, to deliver on its objectives of reducing and, in the long term, eradicating poverty, and of contributing to fostering sustainable economic, social and environmental development and consolidating and supporting democracy, the rule of law, good governance, human rights and the relevant principles of international law<sup>2</sup>. Its purpose is to inform future work on the instrument and its actions. In particular, this evaluation, which is part of a set of ten evaluations covering all the EU External Financing Instruments<sup>3</sup>, informs the Mid-Term Review Report<sup>4</sup>, which draws conclusions across the External Financing Instruments.

This paper is largely based on an external evaluation by independent consultants provided in annex 5.

### **1.2 Scope of the evaluation**

The temporal scope of the evaluation corresponds to the requirements for the Mid-Term Review Report set out in Article 17 of the Common Implementation Regulation. It therefore focuses on the period January 2014 to June 2017. However, due to the length of the implementation cycle of the DCI, the availability of data and results are limited. Therefore the evaluation also looks at the previous DCI (2007-2013)<sup>5</sup> for some of the evaluation criteria (e.g. efficiency and effectiveness). When using the previous DCI as a source of data, it is important to note that the overall objective of the DCI (poverty reduction) has remained the same for both the former and the current instrument.

This mid-term evaluation concentrates on the DCI as an instrument of the EU's development policy and external action. This means the evaluation focuses, to the extent possible, on the instrument's features as set out in the DCI Regulation (e.g. its principles, scope, flexibility and complementarity with other instruments) rather than the projects that have been put in place as a result of the instrument. Development cooperation policies associated to the DCI legal base are not in the scope of this evaluation and are the object of other evaluations<sup>6</sup>.

The countries covered under the evaluation are those eligible under the DCI regulation (see also section 2.1 on Description and 2.2 on Structure)

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<sup>1</sup> Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014, OJ L77, p. 44

<sup>2</sup> Article. 2.1 of the DCI Regulation.

<sup>3</sup> 11<sup>th</sup> European Development Fund, European Neighbourhood Instrument, European Instrument for Democracy and Human Rights, Greenland Decision, Instrument contributing to Stability and Peace, Instrument for Pre-accession Assistance, Instrument on Nuclear Safety Cooperation, Overseas Countries and Territories Decision, Partnership Instrument and the Common Implementing Regulation. For the purpose of this exercise, the evaluation of the Overseas Countries and Territories Decision is included within the evaluation of the 11<sup>th</sup> European Development Fund.

<sup>4</sup> As requested in Article 17 of the Common Implementing Regulation: Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014, OJ L77, p. 95

<sup>5</sup> Regulation (EU) No 1905/2006 of the European Parliament and of the Council of 18 December 2006, OJ L 378

<sup>6</sup> For example, see the review of strategic evaluations managed by DEVCO to assess the European Consensus on Development [https://ec.europa.eu/europeaid/review-strategic-evaluations-managed-devco-assess-european-consensus-development\\_en](https://ec.europa.eu/europeaid/review-strategic-evaluations-managed-devco-assess-european-consensus-development_en)

In accordance with the EU Better Regulation guidelines<sup>7</sup>, the following evaluation criteria have been used: relevance, effectiveness, efficiency, coherence, EU added value, and leverage.

## 2. BACKGROUND OF THE INITIATIVE

The External Financing Instruments make up a major part of the 2014-2020 Multiannual Financial Framework's<sup>8</sup> Heading IV "Global Europe"<sup>9</sup> which provides the EU with the tools necessary to reinforce its role on the world stage and to ensure that it is able to live up to its ambitions in promoting its interests and universal values and principles such as democracy, human rights, peace, solidarity, stability and poverty reduction and to help safeguard global public goods.

Adopted in early 2014, the External Financing Instruments were designed to enable the EU to implement external action policies, with the intention of being relevant for the entire duration of the Multi-annual Financial Framework.

### 2.1 Description of the DCI and its objectives

In particular, the DCI is the EU's main financing instrument within the EU budget available to support its development policy as an important part of the EU's relationship with the outside world. It is complementary to the European Development Fund<sup>11</sup> which is funded outside of the EU budget and specifically covers African, Caribbean and Pacific countries.

The overall aim of the DCI is to eradicate poverty and provide a long-term response to global threats/challenges, many of which have their roots in poverty and under-development. Within this overall objective, the DCI is also tasked with contributing to the achievement of more specific objectives of EU external action, in particular: fostering sustainable economic, social and environmental development as well as promoting democracy, the rule of law, good governance and respect for human rights.

By using this instrument, the EU finances actions aimed at supporting geographic and thematic cooperation with developing countries included in the list of aid recipients compiled

Table 1. Heading IV Global Europe 2014 – 2020<sup>10</sup>

	€ millions
Development Cooperation Instrument	19 662
European Neighbourhood Instrument	15 433
Instrument for Pre-accession assistance	11 699
Humanitarian aid	6 622
Instrument contributing to Stability and Peace	2 339
Common Foreign and Security Policy	2 339
Margin	2 286
Agencies, EU Aid Volunteers, Emergency Response Centre and others	1 396
European Instrument for Democracy and Human Rights	1 333
Guarantee fund for External actions	1 193
Partnership Instrument	955
Macro-financial Assistance	565
Instrument for Nuclear Safety Cooperation	225
Greenland	218
EDF (outside the EU budget)	30 506

<sup>7</sup> Commission communication 'Better regulation for better results - An EU agenda', COM (2015) 215 [http://ec.europa.eu/smart-regulation/better\\_regulation/documents/com\\_2015\\_215\\_en.pdf](http://ec.europa.eu/smart-regulation/better_regulation/documents/com_2015_215_en.pdf), and 'Better Regulation Guidelines' Commission Staff Working Document, SWD (2015) 111 [http://ec.europa.eu/smart-regulation/guidelines/docs/swd\\_br\\_guidelines\\_en.pdf](http://ec.europa.eu/smart-regulation/guidelines/docs/swd_br_guidelines_en.pdf).

<sup>8</sup> Council Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013 laying down the Multiannual Financial Framework for the years 2014-2020, OJ L 347/884, p. 884.

<sup>9</sup> The Multi-annual Financial Framework is divided into six broad groups of expenditure called "Headings". The EFIs make up the majority of Heading IV: Global Europe.

<sup>10</sup> External Financing Instruments are highlighted in blue. Source: [http://ec.europa.eu/budget/mff/index\\_en.cfm](http://ec.europa.eu/budget/mff/index_en.cfm)

<sup>11</sup> Regulation 2015/322 of the Council on 2 March 2015 on the implementation of the 11<sup>th</sup> European Development Fund, OJ L 58 of 03.03.2015, p. 1

by the Development Assistance Committee of the Organisation for Economic Cooperation and Development<sup>12</sup>. Unlike other External Financing Instruments, the actions under the DCI must be designed so as to fulfil the criteria for Official Development Assistance. A few exceptions exist in the case of the thematic Global Public Goods and Challenges programme and the Pan-African programmes, where a limited percentage (5 and 10 % respectively) can be used for non-Official Development Assistance.

## 2.2 Structure of the instrument

The components of the DCI are as follows:

- Geographic Programmes (EUR 11.8 billion): supporting actions in North and South East Asia, South Asia, Central Asia, the Middle East, Latin America and other countries (South Africa). The programmes distinguish between regional and bilateral cooperation: only partner countries which are not Upper Middle Income Countries according to the Development Assistance Committee list (see footnote 12) and with less than 1% world Gross Domestic Product are eligible for bilateral cooperation unless the exception clause is used<sup>13</sup>.
- Thematic programmes – which fall into two groups:
  1. Global Public Goods and Challenges (GPGC) (EUR 5.1 billion): covering environment and climate change, sustainable energy, human development including decent work, social justice and culture, food and nutrition security and sustainable agriculture, and migration and asylum, while ensuring coherence with the poverty reduction objective.
  2. Civil Society Organisations and Local Authorities (CSO-LA) (EUR 1.9 billion): encouraging civil society (e.g. non-governmental organisations and citizens' organisations) and local authorities to play a greater role in development strategies.

The eligibility of the thematic programmes is wider than the geographic programmes. Thematic programmes may take place in any developing country on the list of Official Development Assistance Recipients<sup>14</sup> as published by the Organisation for Economic Co-operation and Development/ Development Assistance Committee.

- Pan-African programme (EUR 845 million): supporting the EU's strategic partnership with Africa<sup>15</sup>. This programme complements other instruments which are used in Africa, such as the European Development Fund and the European Neighbourhood Instrument<sup>16</sup>. Activities under this programme are of a trans-regional, continental or global nature.

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<sup>12</sup> <http://www.oecd.org/dac/stats/daclist.htm>

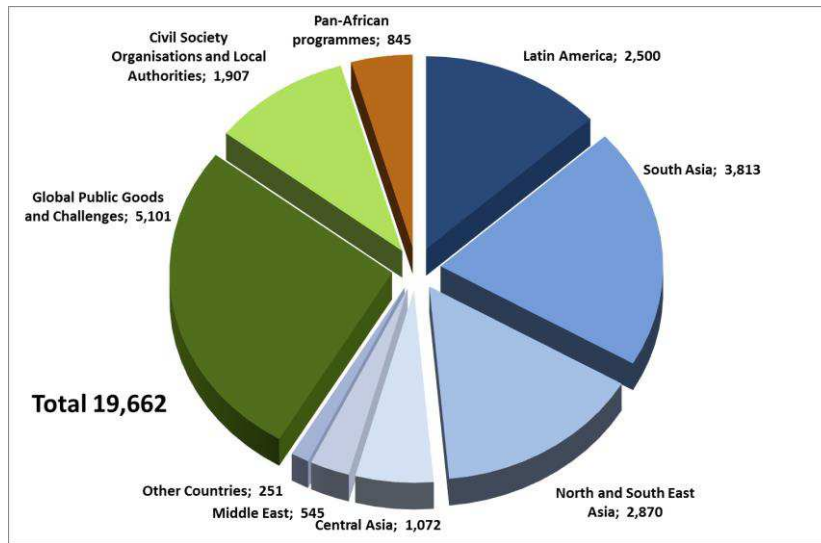
<sup>13</sup> DCI Regulation, Article 5.1. To be noted that the declaration attached to the instrument already provides for the use of the exception clause for Colombia, Cuba, Ecuador, Peru and South Africa.

<sup>14</sup> Except for the CSO-LA Priority 3 programme component called Development Education Awareness Raising. This programme includes initiatives for raising public awareness of development issues, empowering people to become active and responsible citizens and promoting formal and informal education for development in the EU Member States, candidate countries and potential candidates. See DCI Regulation, annex 2.b

<sup>15</sup> The Africa-EU Strategic Partnership – A joint Africa EU Strategy  
[www.africa-eu-partnership.org/sites/default/files/documents/eas2007\\_joint\\_strategy\\_en.pdf](http://www.africa-eu-partnership.org/sites/default/files/documents/eas2007_joint_strategy_en.pdf)

<sup>16</sup> Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014, OJ L77, p. 27

**Table 2. DCI allocations in EUR millions per geographic, thematic and Pan African programme<sup>17</sup>**



The intervention logic of the DCI is presented below. To reflect the level of the evaluation, it focuses on the instrument and its relationship between the DCI and the other External Financing Instruments.

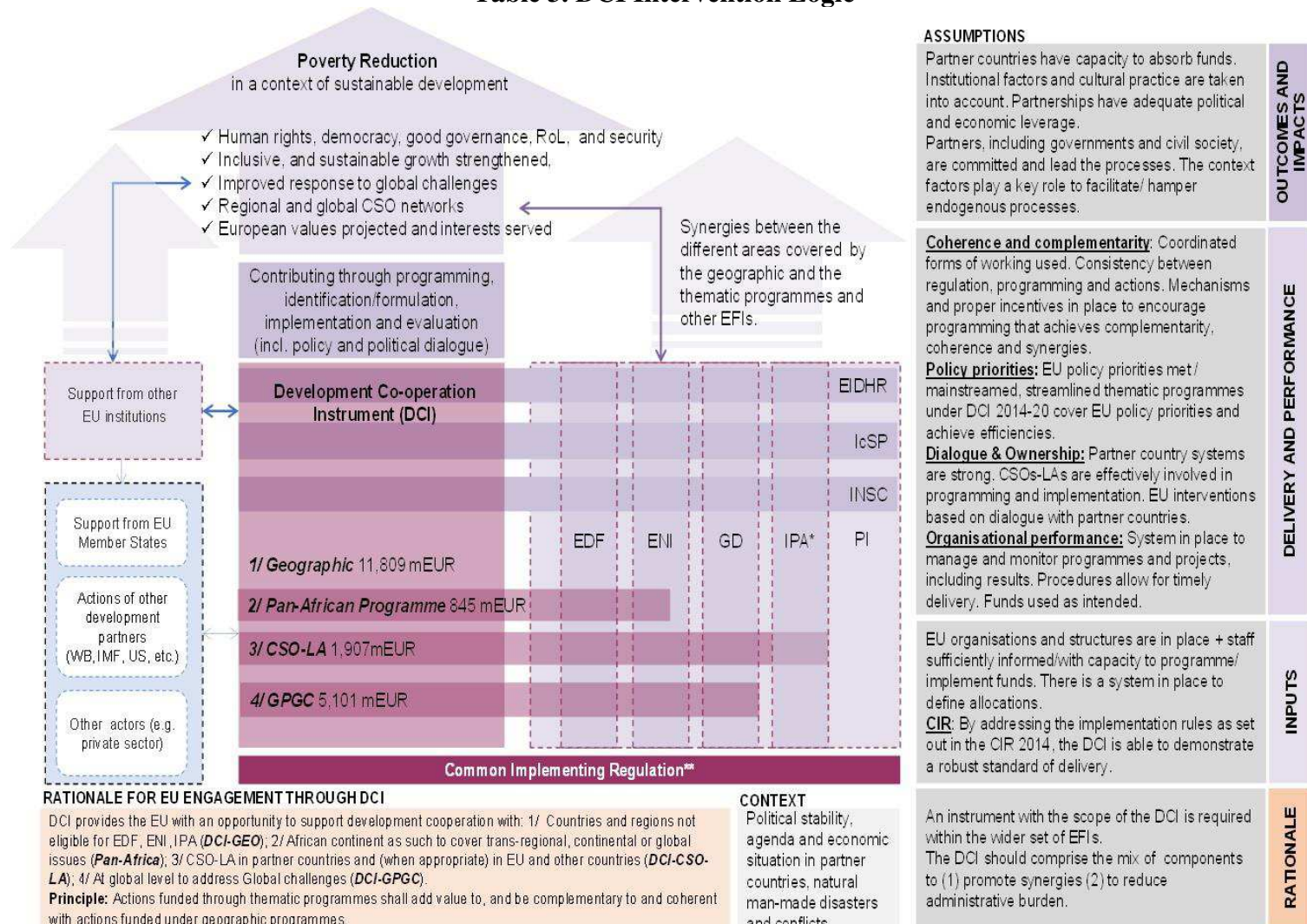
The intervention logic was constructed based on three main sets of documents: policy documents such as the European Consensus on Development (2005)<sup>18</sup> and the Agenda for Change (2011)<sup>19</sup>; the Regulations establishing the DCI and the Common Implementing Regulation; and programming documents for the Pan-African Programme, CSO/-LA, and GPGC, as well as selected regional and country programming documents under the geographic programme.

<sup>17</sup> Source: DCI Regulation, annex 4.

<sup>18</sup> The European Consensus on Development was signed in 2005 and published in the EU Official Journal in 2006. [https://ec.europa.eu/europeaid/policies/european-development-policy/european-consensus-development\\_en](https://ec.europa.eu/europeaid/policies/european-development-policy/european-consensus-development_en)

<sup>19</sup> Communication from the European Commission: Increasing the impact of EU Development Policy: an Agenda for Change, COM(2011) 637 final, 13.10.2011; Council Conclusions on "Increasing the Impact of EU Development Policy: an Agenda for Change" (3166th Foreign Affairs Council Meeting, Brussels, 14 May 2012).

**Table 3. DCI Intervention Logic**





**Table 4. Selected Millennium Development Goals and Sustainable Development Goals indicators<sup>20</sup>**

MDGs / SDGs	Selected indicators	Target	Years	Deve- loping regions	Carib- bean + Latin America	Norther n Africa	Sub- Saharan Africa	Western Asia	Souther n Asia	South- Easter n Asia	Caucasus + Central Asia
MDG 1: Eradicate extreme poverty and hunger / SDG 1: End poverty in all its forms everywhere	Percentage of people living on less than USD 1.25 a day	Halve, between 1990 and 2015, the proportion of people living under poverty line	1990 2010	41% 26%	12% 6%	5% 1%	56% 48%	5% 4%	51% 30%	45% 14%	10% 4%
MDG 1: Eradicate extreme poverty and hunger / SDG 2: End hunger, achieve food security and improved nutrition	Proportion of under-nourished people	11.8% (i.e. half of the percentage in 1990)	1990 2013	24% 14%	15% 8%	<5% <5%	33% 25%	7% 10%	26% 17%	26% 11%	14% 7%
MDG 2: Achieve universal primary education / SDG 4: Ensure inclusive and equitable quality education	Adjusted net enrolment rate for primary education	Children to complete a full course of primary schooling	1990 2012	80% 90%	87% 94%	80% 99%	52% 78%	84% 93%	75% 94%	93% 94%	95% 95%
MDG 3 and SDG 5: Promote gender equality and empower women	Gender parity index for gross enrolment ratio in secondary education	Between 0.97 and 1.03	1990 2012	0.77 0.96	1.06 1.07	0.77 0.99	0.76 0.84	0.65 0.92	0.59 0.93	0.90 1.02	0.98 0.98
MDG 4: Reduce child mortality / SDG 3: Good health and well being	Under five mortality rate (deaths per 1 000 live births)	Reduce by 2/3 between 1990 and 2015	1990 2012	99 53	54 19	73 22	177 98	65 25	126 58	71 30	73 36
MDG 5: Improve maternal health / SDG 3: Good health and well being	Maternal mortality ratio (maternal deaths per 100 000 live births, women aged 15-49)	To be reduced by ¾ between 1990 and 2015	1990 2013	430 230	C 300 190 LA 130 77	160 69	990 510	130 74	530 190	320 140	70 39
MDG 6: Combat HIV/AIDS, malaria and other diseases	Estimated number of new HIV infections per year per 100 people aged 15-49	Have halted by 2015 and begun to reverse the spread of HIV/AIDS	2001 2012	0.10 0.06	C 0.12 0.05 LA 0.03 0.03	0.01 0.01	see note <sup>21</sup>	<0.01 0.01	0.03 0.02	0.04 0.03	0.02 0.02
MDG 7: Ensure environmental sustainability / SDG 6: clean water and sanitation	Proportion of population using an improved drinking water source	Halve by 2015 the proportion of population without sustainable access to safe drinking water	1990 2012	70% 87%	85% 94%	87% 92%	48% 64%	85% 91%	72% 91%	71% 89%	87% 86%
MDG 8: Develop a global partnership for development / SDG 17: Partnerships for the goals	Debt burden measures as external debt service payments to proportion of export revenues	Deal comprehensively with developing countries' debt <sup>22</sup>	2010 2012	3.0% 3.1%	6.7% 6.6%	4.4% 4.4%	2.4% 3.3%	8.0% 6.6%	2.8% 3.0%	3.1% 2.5%	1.1% 1.1%

<sup>20</sup>Source: The Millennium Development Goals Report, 2014 <http://www.un.org/millenniumgoals/2014%20MDG%20report/MDG%202014%20English%20web.pdf>. The 17 Sustainable Development Goals build on the successes of the MDGs, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities.

<sup>21</sup> For this indicator, results are broken down per African region: West Africa 0.41 to 0.16; Central Africa 0.63 to 0.29; Eastern Africa 0.36 to 0.21; Southern Africa 1.98 to 1.02.

<sup>22</sup> The debt burden of developing countries was much lower than in the year 2000 but not declining further.

## 2.4 Baseline

As this is a mid-term evaluation, the baseline has been set at January 2014 when the DCI 2014-2020 was adopted. Therefore the evaluation compares, to the extent possible, the situation on 1 January 2014 with the situation as of June 2017. For some evaluation criteria, where data is unavailable for this reference date, earlier baselines have been used as described later in the document (see section 5.2 "Effectiveness" and 5.3 "Efficiency"), considering that the main objectives of the instrument have not been changed from the former 2007-2013 DCI.

To measure the performance of the DCI in achieving its overall aim i.e. poverty reduction and its specific objectives of (1) fostering sustainable economic, social and environmental development and (2) supporting democracy, the rule of law, good governance, human rights and the relevant principles of international law, the Regulation makes reference to the indicators of the Millennium Development Goals and Sustainable Development Goals. Table 4 shows figures for selected Millennium Development Goals and Sustainable Development Goals as reported in 2014.

However, the Millennium Development Goal/Sustainable Development Goal indicators only show global progress towards development results (based on the actions of partner countries and all donors). Therefore these results cannot be directly attributable to the DCI (see also section 4.2 "Monitoring" and 5.3 "Effectiveness").

Other indicators at outcome/output level are being monitored by the European Commission for the DCI but these were not developed until 2015 and therefore could not be included in the Regulation. See section 4.2 "Monitoring" for more information and annex 4 for the outcome/output results for the DCI from 2014-2016.

At the time of design and adoption of the DCI, poverty remained a problem in the countries eligible under the instrument. The 2015 deadline for the MDGs' achievement was looming with insufficient global progress being achieved. Moreover, for certain countries that had been able to move out of poverty, progress was sometimes temporary. Security issues, economic shocks, environmental degradation and climate change, food insecurity are among factors that directly threaten the sustainability of hard-won gains over poverty.

## 3. METHOD

This evaluation follows the approach set out in the DCI evaluation roadmap<sup>23</sup>. It is supported by an external evaluation carried out from August 2016 to May 2017. The external evaluation of the DCI was managed by the reference group through the following steps: an inception report (which explained how the evaluation design would deliver the information required); a desk report (providing initial responses to evaluation questions); visits to Bolivia, Cambodia, Bangladesh and Ethiopia (due to it hosting the Headquarters of the African Union which is relevant for the Pan-African programme) to meet key interlocutors to obtain first-hand view in-country; and a final report. The external evaluator's work was complemented by a survey to EU delegations covering all instruments and an Open Public Consultation<sup>24</sup> on a draft of the final report which comprised a 12 week online survey and targeted meetings with Member States in March 2017.

As mentioned in the "Scope of the Evaluation" this Staff Working Document is set at instrument-level. In terms of the method used, a focus was put on reviewing strategic documents such as country/thematic evaluations and programming documents, rather than project-level documents.

This Staff Working Document relies on and concurs with the findings and conclusions of the external evaluation unless mentioned otherwise.

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<sup>23</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_devco\\_001\\_evaluation\\_dci\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_devco_001_evaluation_dci_en.pdf)

<sup>24</sup> [https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union\\_en](https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en)

## Limitations

The process of this evaluation is robust and the evidence reasonably solid. However, several limitations faced by the external evaluation need mentioning (see annex 1 for further details):

- The evaluation was pitched at instrument-level meaning project-level data was not the focus, but such data could have further informed the overall findings. The instrument-level focus also means that the development policies which are set outside the instrument, but upon which the instrument is based, were not analysed.
- There was no comprehensive monitoring and evaluation system defined in the DCI legal base.
- The DCI's implementation was in its early stages when the collection of evidence was made. To mitigate this, evidence has also been collected from the DCI 2007-2013.
- Some evidence used is general to all External Financing Instruments rather than specific to the DCI. Where this is the case, the links with the DCI are explained. For example, see section 5 "Relevance" where a review of DCI and non-DCI evaluations is cited as a source explaining partner governments' perspective on global values.
- The very broad nature of the objectives and the partner countries where interventions take place (over 100 countries) made aggregation and comparisons between data difficult.

When evaluating the instrument it must be taken into consideration that its support can only be seen as a contributing factor towards any results achieved:

- The fight to eradicate poverty in partner countries is a highly ambitious agenda. Many factors, both internal and external, affect the development of those countries. An important number of official aid providers play an active role, together with an increasing number of private donors.
- In addition, pursuant to the principle of ownership at the core of the EU's development cooperation, it is for the beneficiary governments to adopt and implement the necessary reforms and policies that are the driving force behind these achievements.

## 4. IMPLEMENTATION STATE OF PLAY

This section looks at the progress made in implementing the DCI since 2014 and the monitoring systems used to measure progress.

### 4.1 Programme implementation

The financial resources linked to the DCI have been implemented through a comprehensive programming process. The result of the process has been a set of programming documents that define per bilateral/regional/thematic programme: the priority areas for financing, the specific objectives, expected results, indicators and indicative allocations.

In order to improve on implementation compared to the 2007-2013 period, the Regulation took steps to simplify the programming process (see section 5.3 "Effectiveness"). However, the results were not as expected with evidence showing the exercise remained complex<sup>25</sup>. This shows there is still room to improve the programming process as defined in the DCI Regulation, although it should be kept in mind that any simplifications could also lead to trade-offs with other DCI principles such as ownership<sup>26</sup>. It should also be noted that not all the complexities of the programming process

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<sup>25</sup> See annex 5, Volume II page 114

<sup>26</sup> DCI Regulation, Article. 3.8

stem from the DCI Regulation, but also from other applicable legislation, such as the Comitology Regulation<sup>27</sup>.

Looking beyond the process at the content of the programming documents, a review of the documents as well as evidence from interviews undertaken by the external evaluation<sup>28</sup> support the finding that the objectives of the DCI Regulation have been translated into the programming documents.

#### **4.1.1 Geographic programmes**

The programming documents for geographic cooperation (country and regional) were drafted between 2012 and 2014. In total, 29 geographic programmes were adopted for: Latin America (10 countries including Cuba), Asia (16 countries in South, Central, North and South East Asia), the Middle East (2), and Africa (1).

For 2 of the 29 countries (Iraq and Turkmenistan), it was necessary to use the clause in the DCI to exceptionally continue bilateral cooperation (DCI Regulation, Article 5.2.b.ii). Both had graduated (i.e. became Upper Middle Income Countries) from the list of developing countries as published by the Organisation for Economic Co-operation and Development/ Development Assistance Committee meaning they were no longer eligible for DCI bilateral cooperation. However, given the special context (e.g. continued presence of poverty/inequality, the post-crisis situation) the exception clause was invoked so bilateral cooperation could continue.

A recent evaluation on joint programming with Member States (2017)<sup>29</sup>, shows there has been progress on this and it has proven to be a valuable tool to promote development effectiveness, although it is still in its early stages and faces challenges<sup>30</sup>. Joint programming is an active, ongoing process in 17 out of a possible 29 partner countries where the EU has bilateral cooperation. This means 17 countries have either a scoping exercise, roadmap or a joint response document<sup>31</sup> with EU Member States and other donors. No targets have been set on the number of countries that should have joint programming as this is a field-driven process. There are cases where joint programming has not advanced because partner country governments are hesitant that closer European cooperation may result in reduced development cooperation or because Member States want to ensure their visibility vis-à-vis the partner country<sup>32 33</sup>.

In 2014, three regional programmes were also adopted for Asia, Central Asia and Latin America.

#### **4.1.2. Thematic programmes**

Both DCI thematic programmes were adopted in mid-2014: one for GPGC, the other for CSO-LA.

Compared to the DCI 2007-2013, the thematic programmes were merged from five programmes<sup>34</sup> to two in order to create efficiency gains. However, in practice, this has been a superficial merge: each of the five programmes under the 2007-2013 instrument, remain either as they did before (i.e. as with CSO-LA) or as sub-themes under the GPGC programme. Within the GPGC programme,

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<sup>27</sup> [https://ec.europa.eu/info/implementing-and-delegated-acts/comitology\\_en](https://ec.europa.eu/info/implementing-and-delegated-acts/comitology_en)

<sup>28</sup> See annex 5, Volume II page 43

<sup>29</sup> See the external evaluation on joint programming: [http://ec.europa.eu/europeaid/evaluation-eu-joint-programming-process-development-cooperation-2011-2015\\_en](http://ec.europa.eu/europeaid/evaluation-eu-joint-programming-process-development-cooperation-2011-2015_en)

<sup>30</sup> EU joint programming means the joint planning of development cooperation by the EU development partners (e.g. EU Member States or other donors) working in a partner country.

<sup>31</sup> A joint Programming exercise has been established for the following DCI countries: Afghanistan, Bangladesh, Bolivia, Cambodia, El Salvador, Guatemala, Honduras, Laos, Kyrgyzstan, Myanmar, Nepal, Nicaragua, Pakistan, Paraguay, Philippines, Tajikistan, and Uzbekistan.

<sup>32</sup> Source: the above-referenced external evaluation on joint Programming (2017) and Heads of Mission reports (2016) by DCI EU Delegations on the state of play of joint Programming.

<sup>33</sup> See also section 5 "Coherence, consistency, complementarity and synergies".

<sup>34</sup> The five thematic programmes were: non-state actors and local authorities; environment and natural resources; migration and asylum; food security; and investing in people.

separate earmarked amounts were also established per sub-theme<sup>35</sup>, thus limiting the instrument's ability to flexibly reallocate resources. Finally, basic procedures for thematic programmes remained largely the same. Therefore in the end the evidence suggests that efficiencies were not achieved<sup>36</sup>.

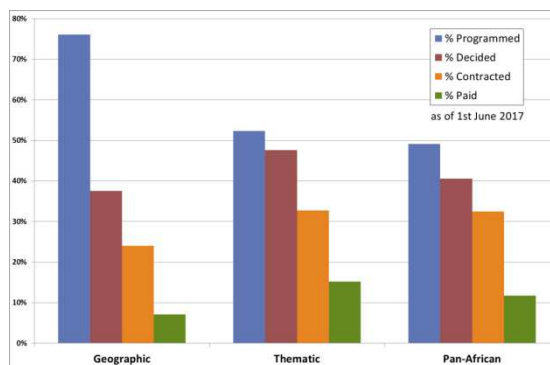
#### 4.1.3. Pan African programmes

The Pan-African programme was adopted by the Commission mid-2014 following extensive consultations with the African Union, African Development Bank, United Nations Economic Committee for Africa and EU Member States.

Efforts were made to identify interventions that could provide continental added value rather than multi-country/regional actions. As no Member State has a dedicated programme aligned to the scope/characteristics of the Pan-African programme, the use of joint programming is not relevant.**4.1.4. Unallocated funds**

The unallocated funds in the DCI were EUR 758 million in 2014 and are now EUR 263 million<sup>37</sup>. These unallocated funds have been used to help ensure the flexibility of the instrument. It allowed the EU to respond to unforeseen circumstances, in particular for fragile, crisis and post-crisis situations as well as allowing for the modification of indicative financial allocations as a result of programming reviews that were carried out. For example, EUR 300 million from the unallocated fund was added to Afghanistan's indicative programming allocation in 2014<sup>38</sup>.

**Table 5. State of play of DCI implementation per programme**<sup>39</sup>



DCI progress on implementation in terms of amounts decided and contracted is on track.

The financial allocations that have been programmed (i.e. the amounts that have been set-out in the programming documents<sup>40</sup>) are much higher for geographic programmes (76%) than for thematic (52%) or Pan-African programmes (49%). The main reason behind this is because the geographic programming documents cover seven years, as opposed to three/four years for the thematic and Pan-African programmes.

One advantage of allocating a significant amount of funds early on in the implementation cycle is that our cooperation is seen to be predictable by our partner countries. However, the trade-off has been that the instrument is less flexible when it comes to responding to unforeseen needs. While the unallocated fund can help meet emerging challenges, the proportion of this fund to the geographic

<sup>35</sup> See DCI Regulation, annex IV

<sup>36</sup> See annex 5, Volume I page 28 and Volume II page 108-110

<sup>37</sup> Figures as of June 2017

<sup>38</sup> [https://eeas.europa.eu/sites/eeas/files/multi-annual-indicative-programme-2014-2020\\_en\\_0.pdf](https://eeas.europa.eu/sites/eeas/files/multi-annual-indicative-programme-2014-2020_en_0.pdf)

<sup>39</sup> Source: DEVCO Data Warehouse

<sup>40</sup> Such amounts are always indicative.

programme is only 6% compared to the 11<sup>th</sup> European Development Fund, where the relation of the unallocated funds to the geographic programme is around 20%<sup>41</sup>.

## 4.2 Monitoring and evaluation systems

In the DCI Regulation, no specific monitoring or evaluation system was mentioned for the purpose of measuring its overall performance (e.g. its flexibility and complementarity with other instruments). Neither was an intervention logic established at the time the instrument was adopted which would have shown the external and internal assumptions on which it was based, thus making it possible to measure changes.

The only references to indicators in the Regulation are for impact-level indicators (namely those from the Millennium Development Goals and subsequently the Sustainable Development Goals). A number of these indicators are included in the EU International Cooperation and Development Results Framework which was created in 2015<sup>42</sup>. However, these indicators only show the EU's contribution to development results as many factors such as partner government policies and interventions of other donors will influence what has been achieved.

The EU Results Framework mentioned above defines quantitative indicators for the collection, aggregation and presentation of three types of result data: (level 1) wider development progress made by partner countries(see impact-level indicators mentioned above); (level 2) partner country results to which the EU contributed through EU-funded projects; (level 3) the European Commission's own organisational performance in respect to international cooperation and development.

In terms of level 2 (outcome and output indicators), it is possible to aggregate these indicators at instrument level; however they have their limitations for the purpose of this evaluation. For example, they only report results from projects that have closed from mid-2013 to mid-2016 and they only measure quantitative aspects such as number of teachers trained and numbers of children immunised. The results are therefore coming from projects implemented under the previous DCI and will not, for the time being, show the performance of the current instrument.

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<sup>41</sup> [https://ec.europa.eu/europeaid/internal-agreement-11th-edf\\_en](https://ec.europa.eu/europeaid/internal-agreement-11th-edf_en)

<sup>42</sup> Commission Staff Working Document "Launching the EU International Cooperation and Development Results Framework", SWD(2015)80 final. See: [https://ec.europa.eu/europeaid/devcos-results-framework\\_en](https://ec.europa.eu/europeaid/devcos-results-framework_en)

## 5. ANSWERS TO THE EVALUATION QUESTIONS

### 5.1 Relevance

To what extent do the overall objectives (DCI Regulation, Article 2) and the objectives of each of its three components, the designated areas of co-operation (DCI Regulation, annexes I, II, III) and the design of the DCI respond to:

- (i) EU priorities and beneficiary needs identified at the time the instrument was adopted (2014) and
- (ii) Current EU priorities and beneficiary needs, given the evolving challenges and priorities in the international context (2017)?

Looking at the creation of the DCI 2014-2020, following on from the 2011 Impact Assessment<sup>43</sup>, it can be concluded that several of the problem drivers mentioned in the assessment have been addressed in the current DCI Regulation making it more able to meet its objectives<sup>44</sup>. For example, in response to problems raised of fragmented support: (1) the Regulation established the need for a clear differentiation amongst partner countries in order to focus more effectively on where EU assistance could have the greatest impact; and (2) the instrument also created the Pan-African programme: an African-wide framework to support cooperation across the continent to solve the drawback of having cooperation fragmented across three instruments (DCI, European Development Fund and European Neighbourhood Instrument).

Since 2014 a number of new EU policies and international commitments have emerged such as the Sustainable Development Goals (SDGs)<sup>45</sup> (2016) and the new European Consensus on Development<sup>46</sup> (2017). Poverty reduction remains a central goal for all<sup>47</sup>, ensuring the continued relevance of the DCI's main objective. While there is a broad alignment, parts of the new policy framework may only be dealt with by the DCI with some difficulties in particular circumstances. For example, to achieve SDG 16 on peaceful societies, actions may include peace and security operations, some of which may not be feasible given the DCI commitments on Official Development Assistance.

Emerging priorities such as migration have overall been integrated into the DCI programmes, such as the DCI contribution to the European Trust Fund to fight the root causes of migration in Africa<sup>48</sup>. A clear intention when designing the DCI was to create an "enabling" instrument meaning that could be used flexibly to implement the evolving policy framework (e.g. the change from Millennium Development Goals to Sustainable Development Goals), and it could be used to implement interventions under a wide range of areas of cooperation<sup>49</sup>. Therefore, and as also reflected by the feedback from the public consultation<sup>50</sup>, in this regard the DCI has been able to meet expectations.

From the beneficiaries' perspective, a mixed picture emerges on the DCI's ability to respond to their needs. On the one hand, the DCI was able to ensure EU cooperation was aligned to partner country priorities through the use of their development plans, where they existed, instead of using EU-led documents. The programming process has reflected this principle, with almost all geographic

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<sup>43</sup> [http://ec.europa.eu/smart-regulation/impact/ia\\_carried\\_out/cia\\_2011\\_en.htm#devco](http://ec.europa.eu/smart-regulation/impact/ia_carried_out/cia_2011_en.htm#devco)

<sup>44</sup> See annex 5, Volume II, page 14-15

<sup>45</sup> <https://sustainabledevelopment.un.org/post2015/transformingourworld>

<sup>46</sup> [https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future\\_en](https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en)

<sup>47</sup> See annex 5, Volume II page 1-11

<sup>48</sup> [https://ec.europa.eu/europeaid/regions/africa/eu-emergency-trust-fund-africa\\_en](https://ec.europa.eu/europeaid/regions/africa/eu-emergency-trust-fund-africa_en)

<sup>49</sup> See DCI Regulation annex I, II, and III

<sup>50</sup> See annex 5, Volume II page 213 and 218

programmes based on national plans, resulting in a higher degree of ownership by the partner countries.

However, the DCI was also designed to support key EU values and global public goods such as human rights, environment and climate change. A recent review of strategic evaluations<sup>51</sup> suggests that partner governments gave a different weight to the importance of EU values/the global agenda, such as human rights issues and participation of CSO-LAs in domestic policy/cooperation processes. This means the DCI principles of ownership and promoting EU and international values and implementing global agreements can be at odds with each other, potentially hindering the instruments ability to perform to its capacity.

## 5.2 Effectiveness, impact, and sustainability

To what extent does the DCI deliver results against the instrument's objectives, and specific EU priorities?

Most DCI partner countries have experienced progress in poverty reduction and human and economic development over the last ten years<sup>52</sup>. For example, the last Millennium Development Goal Report (2015)<sup>53</sup> shows that Vietnam saw a 90% reduction in the incidence of poverty in the last decade, Cambodia an 88% reduction, Peru a 74% reduction and Bolivia a 50% reduction<sup>54</sup>. However, it is difficult to measure the direct impact of the DCI 2014-2020 on development outcomes such as poverty reduction because those indicators reflect development progress over the long-term and the DCI 2014-2020 has only been operational for two years. The results achieved stem from actions taken under the DCI 2007-2013. Moreover multiple actors contributed to these development outcomes; they cannot be directly attributable to the DCI.

Recent annual reports on the implementation of the EU's instruments for financing external actions<sup>55</sup> present numerous positive examples of DCI geographic and thematic programmes, such as support to protecting vulnerable refugees (e.g., Myanmar and Pakistan) or addressing failures in basic service provision in situations of conflict or fragility (e.g., Afghanistan).

While such evidence provides a useful insight into the positive contribution the DCI has made over time, there have been variations in the effectiveness of its actions. For example, the Review of Strategic Evaluations (2016) has shown that where no link exists between DCI interventions and broader national or regional strategic frameworks, contributions to sustainable solutions have remained limited. Also results in the area of human rights have been fragmented and of questionable sustainability<sup>56</sup>.

Aside from the DCI's objectives, the specific commitments made in the DCI are likely to be met by the end of its mandate<sup>57</sup>. For example, the data available from the Mid-term review of the Multi-

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<sup>51</sup> Review of strategic evaluations managed by DG International Cooperation and Development to assess the European Consensus on Development. Final Report, October 2016. [https://ec.europa.eu/europeaid/sites/devco/files/consensus\\_review\\_full\\_report\\_0.pdf](https://ec.europa.eu/europeaid/sites/devco/files/consensus_review_full_report_0.pdf) While the review also looked at evaluations outside the DCI (e.g. country level evaluations which receive bilateral allocations via the EDF), more than 20 DCI country /regional level evaluations were taken into account. In addition, the majority of thematic evaluations analysed contain DCI programmes on various topics (e.g. health, environment, private sector).

<sup>52</sup> See table 4 for baseline and annex 4 for the figures from 2014-2016. Also see annex 5, Volume II page 69-85

<sup>53</sup> [http://www.un.org/millenniumgoals/2015\\_MDG\\_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)

<sup>54</sup> See table 3 for further details on development progress by DCI countries.

<sup>55</sup> See 2016 report: [https://ec.europa.eu/europeaid/2016-annual-report-implementation-european-unions-instruments-financing-external-actions-2015-0\\_en](https://ec.europa.eu/europeaid/2016-annual-report-implementation-european-unions-instruments-financing-external-actions-2015-0_en)

2015: [https://ec.europa.eu/europeaid/annual-report-2015-european-unions-development-and-external-assistance-policies-and-their\\_en](https://ec.europa.eu/europeaid/annual-report-2015-european-unions-development-and-external-assistance-policies-and-their_en)

<sup>56</sup> See annex 5 Volume I page 29

<sup>57</sup> See annex 5, Volume I page 17 and Volume II, page 42 and 58-67



annual Financial Framework<sup>58</sup> indicates that the target on low carbon and climate resilient society was on track for 2015 (20%) and given the estimated commitments for upcoming years, it is expected that the target will be also met in 2020 for the overall period. Concerning targets for basic social services, a review of the allocations in the programming documents shows that while allocations made to education and health alone will not be sufficient to meet the 20% commitment, other allocations on nutrition, safe drinking water and sanitation will help ensure the targets are achieved<sup>59</sup>.

In terms of mainstreaming EU priorities, a mixed picture emerges from the evidence. Progress has been noted in the areas of climate change and environment<sup>60</sup>, but more remains to be done to systematically integrate these themes across all areas of cooperation covered by the DCI. The emergence of some tools, such as the Environment and Climate Change Mainstreaming Facility (2015) has helped step-up efforts on mainstreaming, including mainstreaming guidelines. Mainstreaming human rights issues (including on gender equality), despite the creation of a Toolbox on a rights-based approach to development (2014), is still work-in-progress<sup>61</sup>. Evidence from External Assistance Management Reports suggests that partner governments' lack of interest or resistance to working in support of human rights often represents a major obstacle in implementation<sup>62</sup>.

In line with the DCI Impact Assessment recommendations (2011), the principle of differentiation (including graduation) was included in the DCI 2014-2020 and has been implemented through the programmed allocations<sup>63</sup>. As shown in the programming documents, this has led to a reallocation of DCI funds to Least Development Countries (LDCs) and countries in situations of crisis, post-crisis or fragility. Under the DCI 2007-2013, LDCs accounted for a quarter of total DCI financial resources, whereas under the 2014-2020 allocations, they receive over half. As already mentioned in section 4.1.1., the European Commission used the exception clause in two cases, besides the ones already referred to in the Declaration attached to the DCI Regulation (see footnote 13) to ensure the EU could continue providing bilateral cooperation in countries where special considerations persist (e.g. presence of poverty, inequalities or post-crisis situations). While Upper Middle Income countries remain eligible for regional and thematic programmes they are not always the focus of such programmes<sup>64</sup>.

### 5.3 Efficiency

To what extent is the DCI delivering efficiently?

While a number of sources such as interviews with EU Delegations, the External Action Monitoring Reports and the public consultation on the DCI<sup>65</sup> all view the instrument as administratively heavy, indicators of internal efficiency with the European Commission show it has performed efficiently<sup>66</sup>. and its performance has improved since the DCI 2007-2013 period. This shows how different peoples' perceptions of the instrument can be compared with the corporate-level indicators that are

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<sup>58</sup> [http://ec.europa.eu/budget/mff/lib/COM-2016-603/SWD-2016-299\\_en.pdf](http://ec.europa.eu/budget/mff/lib/COM-2016-603/SWD-2016-299_en.pdf) see page 42

<sup>59</sup> See annex 5, Volume I page 17 and Volume II, page 44

<sup>60</sup> Based on internal Commission findings, DCI climate change contributions have been increasing, from 17.7% in 2014 to 24.9% in 2016 under the DCI.

<sup>61</sup> See annex 5, Volume I page 44-45

<sup>62</sup> See annex 5, Volume I page 19 and Volume II, page 42

<sup>63</sup> See annex 5 Volume II page 85-86

<sup>64</sup> For example, see page 10 of the Asia regional programming document 2014-2020: [https://eeas.europa.eu/sites/eeas/files/regional-asia-mip-2014-2020\\_en.pdf](https://eeas.europa.eu/sites/eeas/files/regional-asia-mip-2014-2020_en.pdf)

<sup>65</sup> See annex 5 Volume I page 26 and Volume II page 214

<sup>66</sup> See annex 5 Volume I page 27

used to measure efficiency. It also shows that indicators only measure part of the picture on efficiency. For example, other factors such as the efficiency of the programming exercise are not covered.

Indeed, on programming, the DCI Impact Assessment (2011) made reference to the complex programming process and recommended that simplifications be made. To this end, the programming process was simplified so that certain steps were merged (e.g. quality check meetings were merged), also the drafting of lengthy (approx. 40 page) country strategy papers was dropped in favour of using partner countries' own development plans. Nevertheless, as shown in the paragraph above, procedures are still considered burdensome and lengthy by some users. However, this is not totally attributable to the DCI but also other legal bases (e.g. the Comitology Regulation) which impose certain processes during the programming exercise.

As recommended in the Impact Assessment (2011), steps were introduced in the DCI Regulation to reduce the fragmentation of the thematic programmes, in particular, by reducing the number of programmes from five to two. However, in contrast to the intended outcome, only modest efficiency gains were made by this consolidation because all the previous programmes that existed under the 2007-2013 are still covered under the consolidated programmes.

The DCI does not mention a comprehensive monitoring system to measure its overall performance. As a consequence, finding data for this evaluation has been a challenging exercise, and often produced anecdotal evidence in key areas such as complementarities. However, some significant improvements have been made to the monitoring systems that exist to facilitate the collection of results. In particular, the introduction of the EU International Cooperation and Development Results Framework<sup>67</sup> (2015) which sets out the quantitative indicators used for collecting various results (see section 4.2 "Monitoring"). The external evaluation pointed-out some weaknesses of the Framework. For example, it only shows the EU's contribution to results (rather than showing what results are directly attributable to the DCI in a context where the EU is not the only player), is not able to measure qualitative results thus distorting the overall picture and it does not scale results by population or amount spent. Nevertheless, the external evaluation and the Commission services agree such weaknesses are common to most results frameworks. Overall the Framework has presented a significant step-forward in terms of the EU's ability to monitor results.

## 5.4 Added Value

To what extent do the DCI programmes add value compared to interventions by Member States or other key donors?

An analysis of the programming documents shows the added value of the DCI compared to interventions by Member States and other donors is apparent on a number of issues, including:

- The previous experience and knowledge of a given sector derived from long-term experience, commitment and diversity of partnerships<sup>68</sup>.
- Specific technical/regulatory expertise or knowledge of best practices<sup>69</sup>.
- Departure of other donors<sup>70</sup>.

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<sup>67</sup> [https://ec.europa.eu/europeaid/devcos-results-framework\\_en](https://ec.europa.eu/europeaid/devcos-results-framework_en)

<sup>68</sup> See annex 5 Volume II page 128

<sup>69</sup> See annex 5 Volume II page 128

<sup>70</sup> See annex 5 Volume II page 128

- The EU's status as a supranational organisation, as a result of which it is perceived by dialogue partners as an agent not defending or advancing the interest of a particular country<sup>71</sup>.

Another source of DCI value added is the EU's ability to take the lead (or play one of the leading roles) in multi-donor actions. As set out in the DCI, the EU is committed to adding value through joint programming, particularly with Member States. The Review of Strategic Evaluations found that EU added value has been highest when coordination with Member States and other donors has been high. Interviews with Member State representatives show that they might not be able to contribute to certain programmes without the support of the EU and appreciate the coordination lead that the EU is willing to provide<sup>72</sup>.

There is mixed evidence on whether the financial size of the DCI (and its projects and programmes) is related to its added value<sup>73</sup>. While interviews with Member States stated that EU added value came from the supranational status rather than from the financial allocations, other geographic and thematic evaluations e.g. for Ecuador, Asia, Private Sector Development and Health state that the financial weight of funds provided through budget support operations has an effect on added value. Also, in the thematic components of DCI, the EU's share of total donor support (both European and global) in relation to global challenges and for civil society is large, making it a more dominant player amongst other European and non-European contributions.

### **5.5 Coherence, consistency, complementarity and synergies**

To what extent does the DCI facilitate coherence, consistency, complementarity and synergies both internally between its own set of objectives and programmes and vis-à-vis other EFIs?

As reflected under section 5.1 "Relevance", a review of: the DCI Regulation, the policy framework (namely the Agenda for Change, the Global Strategy for the EU's Foreign and Security policy and the European Consensus on Development) and the programming documents shows that the DCI has been broadly consistent with key policies<sup>74</sup>.

Across the External Financing Instruments examples exist of complementarity with the DCI, including: the Instrument contributing to Stability and Peace which intervenes in situations where there is a risk to stability/peace, laying the groundwork for later actions under the DCI; the Partnership Instrument which complements DCI actions by financing policy dialogue on areas of specific EU interest; and the European Instrument for Democracy and Human Rights which finances support to specific civil society actors, while the CSO-LA programme provides support for more long-term capacity building<sup>75</sup>.

Within the DCI, evidence on the level of coherence between its component parts is mixed<sup>76</sup>. The thematic budget line reports<sup>77</sup> show efforts were taken to ensure coherence between geographic and thematic programmes. Thematic programmes followed the geographic programmes in terms of timing to help create complementarities. However, while the strategic vision of having geographic programmes for building country partners and thematic programmes for addressing global challenges is valid, in reality, coherence between the two at country level is a frequently-cited problem. A review of the programming documents supports this analysis as most documents were

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<sup>71</sup> See annex 5 Volume II page 126

<sup>72</sup> See annex 5 Volume II page 123

<sup>73</sup> See annex 5 Volume I page 32 and Volume II page 121

<sup>74</sup> See annex 5 Volume I page 35

<sup>75</sup> See annex 5 Volume I page 37-38

<sup>76</sup> See annex 5 Volume I page 36-37

<sup>77</sup> These are internal Commission reports.

found to make only the briefest references to other DCI related programmes (i.e. regional and thematic).

Turning towards interactions with other donors, a number of sources such as the Council Conclusions on the High Level Forum on Aid Effectiveness, 2011<sup>78</sup> show there is a commitment towards joint programming. However, according to the External Action Monitoring Reports, some Member States are still reluctant to take part<sup>79</sup>. More efforts should be taken at EU level to communicate the benefits of joint programming in improving development effectiveness and in strengthening a single European voice at country level.

## 5.6 Leverage

To what extent has the DCI leveraged further funds and/or political or policy engagement?

The main success of the DCI in terms of financial leveraging has been the development of the blending mechanism<sup>80</sup>. A number of DCI regional and country programming documents cite blending as playing an important role during 2014-2020. Also, although a relatively new mechanism, the combined operational report on the Asia, Central Asia and Pacific Investment Facilities (2016)<sup>81</sup> shows the leveraging of substantial sums: over eight years, 2.7 EUR billion of EU assistance has been used to unlock 50 EUR billion in investment.

Concerning political dialogue, both national and regional programming documents frequently mention the DCI provides an opportunity and framework for such dialogue with key partners<sup>82</sup>. Also, the External Assistance Monitoring Reports underline the EU's engagement in policy dialogue in a broad range of thematic areas through DCI programmes<sup>83</sup>. However, the effectiveness of DCI-based policy dialogue is often only effective at sector level, but not at political level: at political level, DCI priorities are sometimes overshadowed by other national priorities such as trade<sup>84</sup>.

## 6. CONCLUSIONS

In line with the findings of the external evaluation, the key conclusions on the DCI are as follows:

1. At the mid-term of its implementation, the DCI 2014-2020 has overall shown itself to be fit purpose. In light of the continuous global poverty problem, the instrument has broadly enabled the EU to implement its development policy framework and to some extent it is flexible enough to respond to emerging challenges. However, the instrument will not be able to fully accommodate the objectives of the new policy framework, in part because of its commitments on Official Development Assistance which prevent it from providing certain support. The instrument also contains principles that can be at odds with each other: i.e. ownership and promoting EU values/global agenda. These tensions may hamper the performance of the instrument and highlight the importance of having multi-actor partnerships (including with CSO-LAs).

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<sup>78</sup> [https://ec.europa.eu/europeaid/eu-common-position-fourth-high-level-forum-2011\\_en](https://ec.europa.eu/europeaid/eu-common-position-fourth-high-level-forum-2011_en)

<sup>79</sup> See annex 5 Volume I page 36-37 and Volume II 161-171

<sup>80</sup> See annex 5 Volume II, page 39

<sup>81</sup> [https://ec.europa.eu/europeaid/2015-operational-report-2015-asia-investment-facility-aif-investment-facility-central-asia-ifca-and\\_en](https://ec.europa.eu/europeaid/2015-operational-report-2015-asia-investment-facility-aif-investment-facility-central-asia-ifca-and_en)

<sup>82</sup> See annex 5 Volume I, page 42-43

<sup>83</sup> See annex 5 Volume I, page 42-43

<sup>84</sup> See annex 5 Volume I, page 43

2. The DCI is largely on track to deliver on its objectives and commitments. Countries receiving the bulk of DCI assistance are showing signs of poverty reduction. However, data on results is limited. Indeed, the DCI Regulation is lacking details on a monitoring and evaluation system which can measure the instrument's performance.
3. The principles of differentiation and graduation have left a gap in the EU's ability to cooperate on poverty with Upper Middle Income Countries through bilateral cooperation under this instrument. While this was intentional and the thematic and regional programmes were expected to meet this gap, in reality this was not always the case. The EU subsequently decided in some cases it was necessary to continue close cooperation (through the use of the exception clause in the DCI Regulation) with certain Upper Middle Income Countries due to their specific needs (e.g. the persistent presence of poverty/inequalities, post crisis situations),.
4. The DCI is generally efficient when looking at indicators measuring organisational performance and some limited improvements have been made since 2007-2013. However, some of its users still view it as administratively burdensome.
5. The DCI's added value is apparent through a number of factors such as its perceived independent/supranational status and its ability to lead on joint actions with Member States. However, evidence is mixed on the importance of the financial weight of the DCI's programmes.
6. While there is some evidence of coherence between the DCI and other EFIs and with EU external action policies, a more strategic approach is lacking.
7. The DCI has helped bring about a significant leveraging of funds through blending. However, political and policy leveraging has shown mixed results.

## ANNEX 1. PROCEDURAL INFORMATION

Lead DG: International Cooperation and Development (DEVCO)

DECIDE reference: 2017/DEVCO+/001

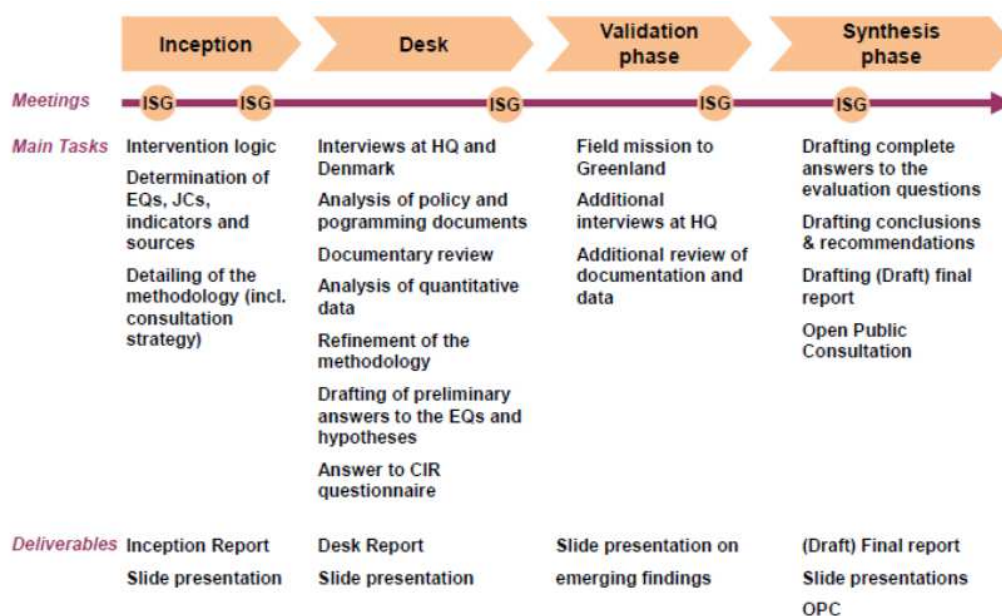
The evaluation of the DCI is one of a set of ten evaluations covering most External Financing Instruments<sup>85</sup> under Heading 4 of the Multiannual Financial Framework 2014-2020. In view of ensuring consistent EU external policies, all the evaluations have been carried out simultaneously and are interlinked.

### Organisation and Timing

This evaluation was initiated in 2015. The evaluation roadmap was published in November 2015<sup>86</sup>. An Inter-Service Group (ISG) was constituted to specifically steer the work of the DCI evaluation. It is composed of representatives from the European Commission and the European External Action Service.

The evaluation is largely informed by an external evaluation conducted by independent consultants. The external evaluation started on June 1 2016. The Final report was received on June 26 2017, on schedule. The evaluation process, lead by the ISG, was conducted in four phases, see Figure 2.

Figure 2: Evaluation process



### Process overview and Quality assessment

The external evaluation of the DCI 2014-2020 was commissioned to provide the main information for this Staff Working Document. The evaluation was carried out fully in line with the indications provided in the above-mentioned roadmap. The evidence base in particular consisted of primary sources, secondary sources, and consultations of key actors. A total of four countries were visited

<sup>85</sup> Development Cooperation Instrument, 11<sup>th</sup> European Development Fund (EDF), European Neighbourhood Instrument, European Instrument for Democracy and Human Rights, Greenland Decision, Instrument contributing to Stability and Peace, Instrument for Pre-Accession, Instrument on Nuclear Safety Cooperation, Overseas Countries and Territories Decision, Partnership Instrument and the Common Implementing Regulation. For the purpose of this exercise, the evaluation of the Overseas Countries and Territories Decision is included within the evaluation of the 11<sup>th</sup> EDF.

<sup>86</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_devco\\_001\\_evaluation\\_dci\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_devco_001_evaluation_dci_en.pdf)

by the evaluation team. Those countries were selected in cooperation with the ISG to ensure geographic of where the DCI operates.

There were 7 ISG meetings over the course of the DCI external evaluation to cover initial briefing, provide feedback on inception, desk, key messages, draft Final, and Final reports. There were also four meetings (2 in September 2016, 1 in December 2016 and 1 end of March 2017) among all the consultants and all the Commission evaluation managers to promote understanding and exchange on complementarity and synergy between instruments.

The ISG quality assessed the external evaluation as satisfactory at their meeting of 23 May 2017. The reliability of the data used by the external evaluators is found to be high. The quality of the data can easily be verified through the sources that are systematically mentioned. In case of information emanating exclusively from EU sources, the evaluators attempted as much as possible to triangulate with external sources of information to alleviate any possible bias. In addition, information was collected through interviews with key internal and external interlocutors. A number of evaluations were reviewed. As these were commissioned by Commission services, they are quality assured. The quantity of information analyses also appears satisfactory. The overall evidence used by the external evaluation was quality assured by the ISG.

## Evaluation Questions

### *RELEVANCE*

1. To what extent do the overall objectives (DCI Regulation, Article 2) and the objectives of each of its three components, the designated areas of co-operation (DCI Regulation, annexes I, II, III) and the design<sup>87</sup> of the DCI respond to:
  - (i) EU priorities and beneficiary needs identified at the time the instrument was adopted (2014)?
  - (ii) Current EU priorities and beneficiary needs, given the evolving challenges and priorities in the international context (2017)?

Information sought in this area includes:

- A timeline showing congruence/divergence of the instrument against evolving context, including global challenges, and institutional policy changes e.g. to what extent does the DCI respond to the demands of Agenda 2030, including the need to co-operate with emerging developing countries on implementing the SDGs.
- To what extent programmes undertaken under the GPGC have responded to 'global challenges'

### *EFFECTIVENESS, IMPACT, SUSTAINABILITY*

2. To what extent does the DCI deliver results against the instrument's objectives, and specific EU priorities?<sup>88</sup>

Information sought in this area includes:

- To what extent do DCI programmes contribute towards poverty reduction, and more specifically towards:

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<sup>87</sup> i.e. how it all fits together

<sup>88</sup> Evaluators will need to look at both the current DCI 2014-2020 and the previous DCI 2007-2013 to respond to this question. Evaluators should distinguish the findings between the two periods.

- fostering sustainable economic, social and environmental development;
- consolidating and supporting democracy, rule of law and good governance, human rights and relevant principles of international law (DCI Regulation, Article 2)
- To what extent has the DCI contributed to the European Union's priorities for smart, sustainable and inclusive growth?
- To what extent does the DCI mainstream EU policy priorities (e.g. gender, climate change) and other issues highlighted for mainstreaming in the instrument, and, where relevant, deliver on the commitments including the financial allocations (DCI Regulation preamble, Article 3, annex IV)
- To what extent does the DCI promote principles of aid effectiveness, such as ownership and joint programming (DCI Regulation, Article 3)
- To what extent are the processes conducive to programming, identification/formulation of effective actions (DCI Regulation, Article 5-15)?
- How has the process of differentiation (including graduation) been managed e.g. have countries most in need been given priority in the resource allocation process, have differentiated partnerships with new forms of strategic cooperation been developed as set out in Agenda for Change, have any negative effects been minimised?
- To what extent is the DCI flexible enough to respond to changing needs? (e.g. changed policy priorities, changed contexts)

## *EFFICIENCY*

### 3. To what extent is the DCI delivering efficiently?<sup>89</sup>

Information sought in this area includes:

- What is the ratio of administrative costs (as defined as “DCI Support Expenditure” in the Draft General Budget of the EU<sup>90</sup>) to overall budget?
- How efficient is budget execution in terms of time taken from commitments to payments?
- Have the changes made to DCI 2014 – 2020 from the previous DCI 2007 – 2013 brought efficiency gains ? e.g. Has the merging of various separate thematic programmes into one GPGC brought positive change in terms of efficiency of delivery? To what extent the creation of designated support to a Pan African programme has made a change ?
- Are there areas, such as administrative/management procedures, where the DCI can be simplified to eliminate unnecessary burden?
- To what extent is the DCI in line with the implementing rules of the CIR ? Specifically in terms of :
  - Implementation
    - Subject matter and principles
    - Adoption of action programmes, individual measures and special measures

<sup>89</sup> Evaluations will need to compare, where possible, information from the current DCI 2014-2020 with the previous DCI 2007-2013.

<sup>90</sup> See Title 21, item 21-01-04, page 949 of the latest, 2016 draft budget <http://eur-lex.europa.eu/budget/data/DB/2016/en/SEC03.pdf>



- Support measures
- Provisions on the Financing Methods
  - General financing provisions
  - Taxes duties and charges
  - Specific financing provisions
  - Protection of the financial interests of the Union
- Rules on nationality and origin for public procurement, grant and other award procedures
- Climate action and biodiversity expenditure
- Involvement of stakeholders of beneficiary countries
- Common rules
  - Eligibility under the DCI
- Monitoring and evaluation of actions
- To what extent are the following in place and functioning:
  - appropriate monitoring processes and indicators for measurement of the performance of the DCI instrument
  - relevant strategic and operational indicators to measure results achieved by the DCI?

#### *ADDED VALUE*

4. To what extent do the DCI programmes add value compared to interventions by Member States or other key donors?

Information sought in this area includes :

- Where the DCI is operating in the same field as other donors, does it offer added value in terms of size of engagement, particular expertise, and/or particular weight in advocacy ?

#### *COHERENCE, CONSISTENCY, COMPLEMENTARITY AND SYNERGIES*

5. To what extent does the DCI facilitate coherence, consistency, complementarity and synergies both internally between its own set of objectives and programmes and vis-à-vis other EFIs?

Information sought in this area includes:

- To what extent are the different DCI programmes coherent/overlapping with one another?
- To what extent are the different DCI programmes aligned with EU development policy?
- To what extent are the programmes consistent with EU external action policies?
- To what extent do the programmes complement/overlap/stimulate synergies with other external action financing instruments?<sup>91</sup>
- To what extent does the DCI complement/overlap with other EU instruments outside of development policy?

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<sup>91</sup> Note the respective mandates of DEVCO and FPI in EIDHR, PI and IcSP instruments

- To what extent does the DCI complement/overlap with interventions of other donors?

#### *LEVERAGE*

6. To what extent has the DCI leveraged further funds and/or political or policy engagement?
7. How could the DCI be enhanced to achieve its policy objectives more effectively and efficiently?
8. How can programming and implementation of DCI assistance be enhanced to improve the impact and sustainability of financial assistance?

## **ANNEX 2. SYNOPSIS REPORT OF THE STAKEHOLDERS' CONSULTATION**

The stakeholder consultation for the mid-term review of the DCI began in late 2015 and came to an end in May 2017. The majority of the consultation activities took place during the Open Public Consultation at the beginning of 2017. As highlighted in the evaluation Roadmap<sup>92</sup>, the consultation approach involved collecting input from a wide range of stakeholders on the DCI 2014-2020 at its mid-point.

### **1. Evaluation Roadmaps**

The consultation process began with the publication of the evaluation Roadmap, which was published on the European Commission website November 2015. As per the Better Regulation guidelines<sup>93</sup>, the aim of the Roadmap was to give stakeholders and the general public an early opportunity to provide feedback on the evaluation and its approach. No feedback was received on the Roadmap.

### **2. Interviews**

This external evaluation team conducted interviews and group discussions with various stakeholders during all phases of the evaluation. In total, the team held more than 150 interviews including with members of EU Headquarter staff, EU Delegation staff, and EU Member State representatives.

The objectives of the interviews were to (i) address gaps in the documentation reviewed, (ii) better understand realities on the ground, especially during the four field visits (to Cambodia, Bangladesh, Bolivia and Ethiopia), and (iii) triangulate findings especially when the evidence collected was based on internal EU documentation and sources.

Information from interviews was used throughout the evaluation, for example: when highlighting that the instrument is viewed as labour intensive and administratively cumbersome<sup>94</sup>; and when highlighting the added value of the instrument is based on neutral/supranational status<sup>95</sup>.

### **3. Open Public Consultation – 7 February to 3 May 2017**

The Open Public Consultation on the draft evaluation report took place during 12 weeks and closed on the 3<sup>rd</sup> of May. It was carried out at the same time as the consultation activities for the set of ten External Financing Instruments. The aim was to gather feedback from the broadest possible range of stakeholders, including those in beneficiary countries and in the EU Member States, on the emerging conclusions from the evaluations.

This section of the annex focuses on the retrospective aspects that were covered under the Open Public Consultation. However, there was also a forward-looking element to the consultation which aimed to gather preliminary ideas on the future External Financing Instruments after the current ones have expired by 31 December 2020.

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<sup>92</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_devco\\_001\\_evaluation\\_dci\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_devco_001_evaluation_dci_en.pdf)

<sup>93</sup> [http://ec.europa.eu/smart-regulation/guidelines/toc\\_tool\\_en.htm](http://ec.europa.eu/smart-regulation/guidelines/toc_tool_en.htm)

<sup>94</sup> See annex 5, Volume I, page 27 and 30

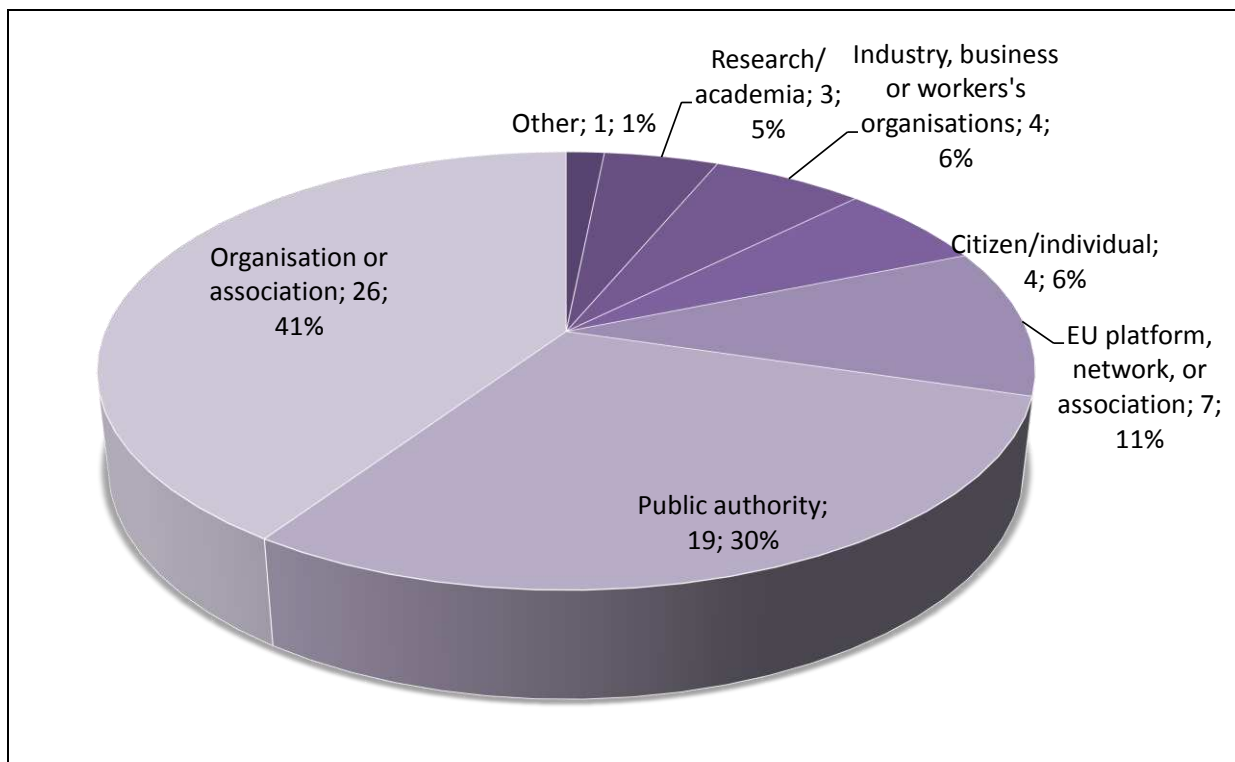
<sup>95</sup> See annex 5, Volume I page 32

The Consultation took the shape of (i) an online consultation which included some guiding questions to facilitate providing feedback and (ii) face to face meetings organised with key stakeholders. In that respect, a technical workshop with representatives of Council working groups, together with representatives of the European Parliament, took place end of March 2017.

### OPC online contributions

From the online consultation, 64 contributors provided responses on the DCI. Most of the contributions were made by organisations or associations, followed by public authorities. In addition, six inputs were provided in written form, not using the online format. The graph below illustrates the type of contributors received.

Figure 1 Type of contributions from the online consultation



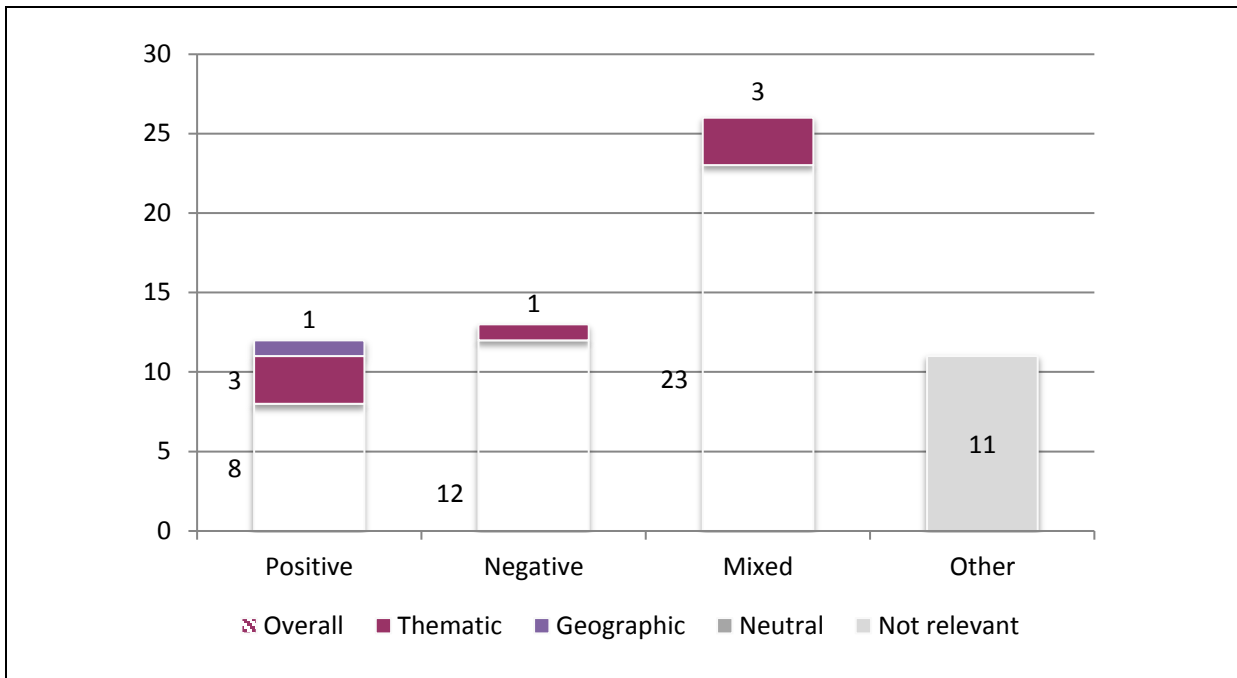
Contributors were invited to respond to the following five DCI-specific questions:

1. How well do you think the DCI has addressed its objectives?
2. How well do you think the DCI has addressed the objectives of development co-operation more specifically in Least Developed Countries? To what extent has the DCI had an impact on poverty reduction and sustainable development in Middle Income Countries, where pockets of poverty persist and which may play a critical role to tackle regional and global challenges?
3. The evaluation has found that many partner countries often disagree on the place and weight to be given to human rights issues and governance, which are part of the principles that guide the external action of the EU, including the DCI. Has the DCI enabled the EU to project its principles and values (e.g. democracy, the rule of law, human rights and fundamental freedoms)?
4. The DCI accommodates internal EU policy concerns, such as migration and climate change, in external action. To what extent do you think the DCI has been able to adapt to shifts in policy and the external environment?
5. If you have any other views on the DCI you would like to share, they are welcome here.

The following summary synthesises the main contributions received from the online consultation, additional written comments and the various face-to-face consultations in relation to key findings and emerging conclusions of the evaluation.

**Question 1: For this question a total of 62 contributions were received. The majority of contributions provided a mixed assessment on the extent to which the DCI has addressed its objectives. The graph below illustrates the number contributions that were mainly positive, negative, mixed or other<sup>96</sup>. Where possible the contributions have been grouped by instrument component.**

Figure 2 Question 1: Type of contributions from the online consultation



From the contributions received that provided a mainly positive assessment, most contributors feel that the DCI has been relevant and provided an added value, while some also highlighted the effectiveness of the instrument and complementarity with other EFs. In this context, a European think tank noted that *“The Regulation was updated and allowed DCI to globally function as an “enabling instrument” that responded to both EU policy priorities and partner country expectations. Efforts were made to consistently apply the principles of the Agenda for Change (including differentiation) and Busan (country ownership). Synergies were sought with other instruments and interventions of MS, thus trying to produce EU added value.”* On added value, amongst others, the following explanations were provided:

- *“The DCI clearly constituted an added value, particularly thematic programmes that mainstreamed decent work for all, as stipulated in the DCI Regulation.”* (Industry, business or workers' organisations)
- *“When actions have been taken in relation to disability, the added value of the European Union has been very large since disability is not a priority issue in the countries and this population is invisible”* (Organisation or association)
- The capacity of the DCI to intervene in several ways: geographic, thematic including CSO-LA in relation to the needs of actors identified as key to achieving all other objectives, and who otherwise would be excluded “is a key factor in the success of the program. This ability to achieve these different targets and priorities is unique and an added value for the EU.” (Organisation or association)

<sup>96</sup> The category other includes contributions that are either neutral or considered as not being relevant for this question.

From the contributions that provided a mixed assessment, there is no doubt that the DCI with its focus on poverty reduction is perceived as a highly relevant instrument (especially in least developed countries). Yet, several factors have been identified which could potentially limit the relevance and effectiveness of the DCI:

- Growing need to adapt to changing environment and challenges (e.g. migration and addressing root causes of migration) and current political framework and priorities of the EU.
- Shrinking space for Civil Society.
- Growing need to identify and include multiple stakeholders (especially CSOs, private sector).
- Growing need to systematically mainstream issues such as climate change, gender equality and disability.
- Limited alignment to international commitments on funding for biodiversity and sustainable development (Organisation or association).

Regarding efficiency, several comments noted that the DCI is an administratively demanding instrument posing significant burden on the stakeholders involved, e.g. “The heavy procedural requirements continue to pose challenges both to EU staff and to grant beneficiaries (...)” (EU platform, network, or association) Linked to this, a number of contributors identified a lack of human resources in EU Delegations and lack of transparency and flow of information between EU MS, HQ and EU Delegations as factors limiting efficiency of the DCI.

Regarding the extent to which the DCI was perceived as being complementary, coherent and consistent, several comments expressed some concern, noting a potential risk of overlap between EFIs and within DCI, calling for a more holistic approach. To provide some examples:

- “Under the DCI, flagship programmes were set up with the aim to overcome silo approaches. In the same line, the GPGC was initially set up as a new thematic programme to increase flexibility and avoid a fragmented approach, especially to respond to global crises and international commitments. While several thematic programmes were merged into the single GPGC, the problem of thematic areas being treated in isolation remains.” (Organisation or association)
- “The portfolio of interventions appears very diversified, in many sectors, and fragmented. This raises the issue of coordination and coherence between the various financial instruments and calls for a more direct combination of these instruments.” (Public Authority)

On EU added value, while it was recognised that more work needs to be done and the EU still needs to tap its full potential, several examples of EU added value have been identified:

- The EU is usually seen as an honest broker striving to act on the basis of a true partnership with their development cooperation partners. (Public authority)
- EU cooperation has a high value for EU MS themselves through regular coordination and “joint programming”. (Public authority)
- Mainly in promoting democracy, civil society, gender and sexual and reproductive health and rights which have been sometimes neglected by beneficiary governments. (Public authority)
- EU added value relies also on the variety of European players such as European local and regional governments, who can share their experience of local public policies and development, accessing and managing EU funds. (EU platform, network, or association)

From the contributions that provided a mainly negative assessment, the following main reasons were identified as to why contributors felt that the DCI did not well address its objectives:

- Limited expertise at EUDs (Public Authority).
- Need for better engagement with Middle Income Countries (Public Authority).
- Limited synergies and complementarity between geographic and thematic instruments and with other donors, e.g. due to fragmented approach (Public authority).

Additional written comments expressed the following:

- DCI is an effective tool that generally meets the EU's priorities for poverty reduction, yet several weaknesses of the DCI are to be noted:
  - o The monitoring of projects must be improved, including better formulation of efficiency indicators.
  - o The projects put in place are not always sustainable and strong enough to last.
- Positive experience with the thematic programme/ GPGC on food security, nutrition, agriculture, and rural development. The thematic programmes reflect a shared agenda of development objectives in these areas and are complementary to EDF programmes. Through the DCI the EU has offered consistent and therefore more sustainable support to important shared agendas on global governance of food security; forest governance; etc. Through its flexible approach and adaptation to local context and needs, the DCI helps to promote greater policy and investment coherence, and ensures complementarity between the actions of various development agents. The DCI has also allowed the creation of a very close partnership and synergies between support provided by FAO, EU, Government and other development partners, better linking investment and policy support to create an enabling environment for achieving SDG2.

The responses to this question have been used throughout the evaluation. Under EQ 3 (efficiency), it has been stated that the DCI is regarded by stakeholders as an administratively demanding instrument, and one with only limited flexibility. The evaluation has been essentially positive on the complementarity of geographic and thematic programmes, while stating that the problem of compartmentalisation within the GPGC programme remains a problem.

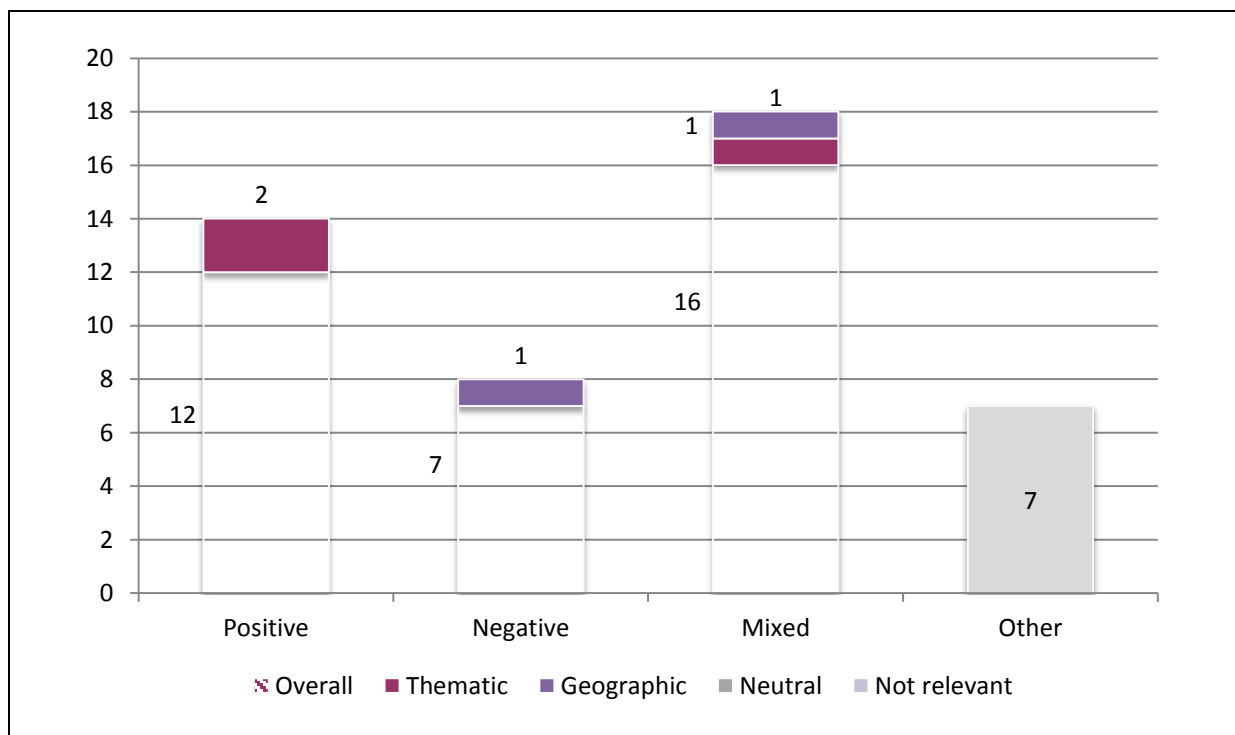
## **Question 2: Addressing DCI objectives in LDCs and poverty reduction and sustainable development in MICs**

For this question, a total of 47 contributions were received from the online consultation. The majority of contributions provided a mixed assessment on the extent to which the DCI has addressed its objectives in Least Developed Countries and Middle Income Countries. The graph below illustrates the number contributions that were mainly positive, negative, mixed or other<sup>97</sup>.

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<sup>97</sup> The category other includes contributions that are either neutral or considered as not being relevant for this question.

Figure 3 Question 2: Type of contributions from the online consultation



From the contributions received that provided a mainly positive assessment, contributors felt that the DCI programming has well respected the principle of differentiation, and it is welcomed that most of the funding is now targeted to LDCs, where it is expected to have bigger added-value (e.g. Public authority, Organisation or association, Research and academia, Other).

Some contributions also considered that the DCI is an appropriate instrument for both LDCs and MICs (EU platform, network, or association). In this context, two contributions specifically mentioned the GPGC as an appropriate tool to reach MICs:

- “Direct benefits to local communities in least developed countries (Liberia) and middle income countries (Ghana)” are visible (Organisation or association).
- “*In our view, the DCI thematic instrument on ‘Global Public Goods and Challenges’ (GPGC) helped to respond to the need to involve MICs in addressing regional and global challenges.*” (Research/ academia)

From the contributions that provided a mixed assessment, most of the contributions agree that the DCI has been relevant for LDCs and contributed to progress in poverty reduction. However and in line with the evaluation findings, most of the contributions in this category expressed concerns as to what extent the DCI was able to reach MICs and UMICs where poverty still exists and suggested the deepening of partnerships (e.g. with CSOs) in these countries:

- “*(...) Unfortunately, so-called “pockets of poverty” still persist in the MICs, and it has proven difficult for DCI to address this issue accordingly. Therefore other forms of partnership with these countries need to be explored.*” (EU platform, network, or association)
- “*The DCI was particularly relevant in poorer, weak and fragile states (...)The DCI was less relevant in Middle Income countries.*” (Public authority)
- “*The DCI has to a large extent played a positive role in helping the EU meet its objectives of development cooperation in Least Developed and Middle-Income Countries. The facing out of development cooperation in Middle Income Countries needs to be compensated with thorough analysis of the characteristics of poverty in the country, and well thought out investment in human rights and strengthening of civil society organisations representing*



and supporting people who are discriminated against or under-serviced.” EU platform, network, or association)

The contributions that provided a mainly negative assessment were often related to the issue of lacking a platform for cooperation with MICs and UMICs or lack of achieving results in general:

- “Countries that graduate from bilateral aid programmes would still need support from the EU to ensure that their development is equitable, with a reduction in inequalities going parallel to opportunities for growth.” (Organisation or association)
- “While the DCI has the right commitment to advance development cooperation namely in LDCs, it fell short in doing so. The understanding of human development (HD), which is fundamental to people-centred policies, under the DCI thematic programme is too broad and should be refined.” (Organisation or association)

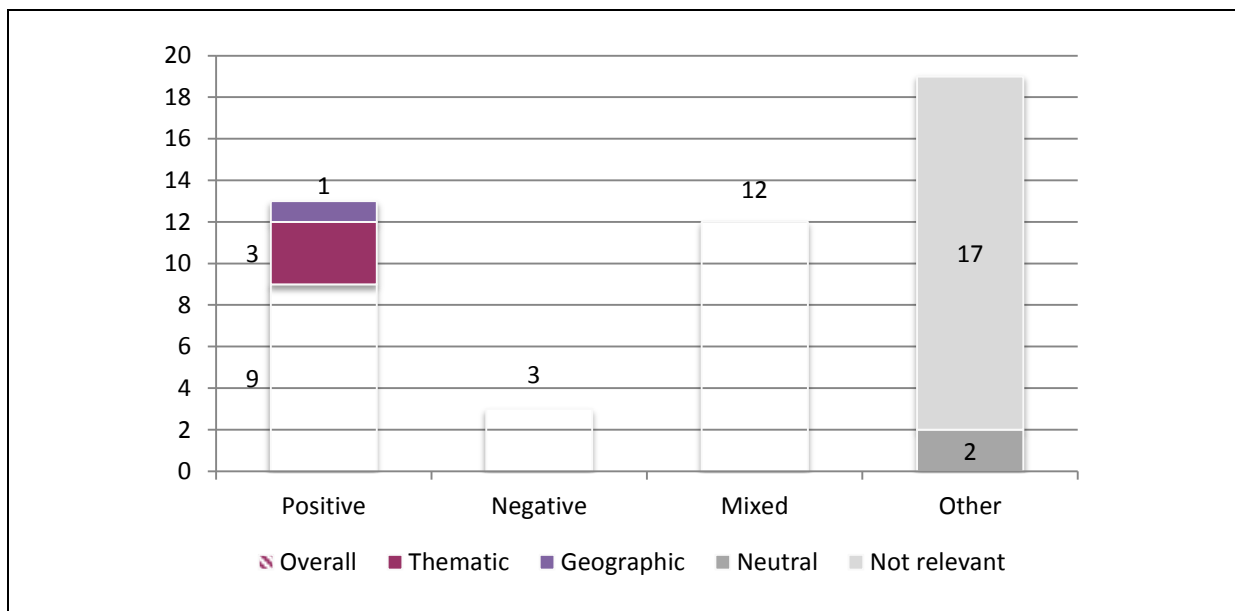
Additional written comments noted that the DCI fulfils its role as a vector for development (health, food security, economic and social development), consistent with the SDGs, and its impact is considered structured and relatively rapid in LDCs and UMICs. Yet, the lack of an accompanying mechanism for graduated countries prevents it from making it an instrument capable of fully responding to the developments that can be observed.

The main thrust of the comments appears to be that there is continuing need for development cooperation in Middle Income Countries; one of the conclusions of the evaluation. The Partnership Instrument, while serving a valued role in particular related to regional and global challenges, is not well suited, either by size or goal, to addressing persistent poverty.

### Question 3: DCI enabling the EU to project its principles and values

For this question, a total of 47 contributions were received. The majority of contributions provided a positive assessment on the extent to which the DCI enabled the EU to project its principles and values. The graph below illustrates the number contributions that were mainly positive, negative, mixed or other<sup>98</sup>.

Figure 4 Question 3: Type of contributions from the online consultation



<sup>98</sup> The category other includes contributions that are either neutral or considered as not being relevant for this question.

The majority of contributions provide a mainly positive assessment and agree that the EU's external actions should be guided by principles of democracy, rule of law and human rights. Some contributions explicitly mentioned the crucial role of the CSO-LA component to work in this area:

- “(...) *there is no doubt that EU's external action should be guided primarily by principles of democracy, rule of law, human rights, including the right to a healthy environment, and fundamental freedoms. The DCI has great potential to project such values. The CSO/LA programme has a strong emphasis on improving governance and strengthening the rule of law by engaging civil society and work on Civil society roadmaps by EU delegations is important in this respect.*” (Organisation or association)

The contributions that provide a mainly mixed assessment emphasised the importance of the DCI promoting the principles and values of the EU. An EU platform noted that “The EU is perceived as a reliable dialogue partner and more neutral than the single Member States. This is an additional added value in order to promote reform processes such as in the field of strengthening local democratic governance.” While progress has been noted (especially in relation to the CSO-LA programme), several factors, mainly at EUD level and in relation to CSO involvement have been identified that have hindered progress:

- EUDs have been confronted with major bottlenecks, “*originating from both political resistance among partner countries (e.g. the phenomenon of “closing space” for civil society and human rights associations), internal EU constraints (e.g. lack of political, institutional and bureaucratic incentives to mainstream the values) and MS interests.*” (Research and academia).
- Limited political support and resources in EUDs to promote human rights issues and governance.(Organisation or association)

From the contributions that provided a mainly negative assessment, no further explanations were provided.

These mixed comments underscore the predicament faced by the EU, which runs throughout the evaluation: the EU is committed to promote universal values, yet such values are often questioned in a number of partner countries.

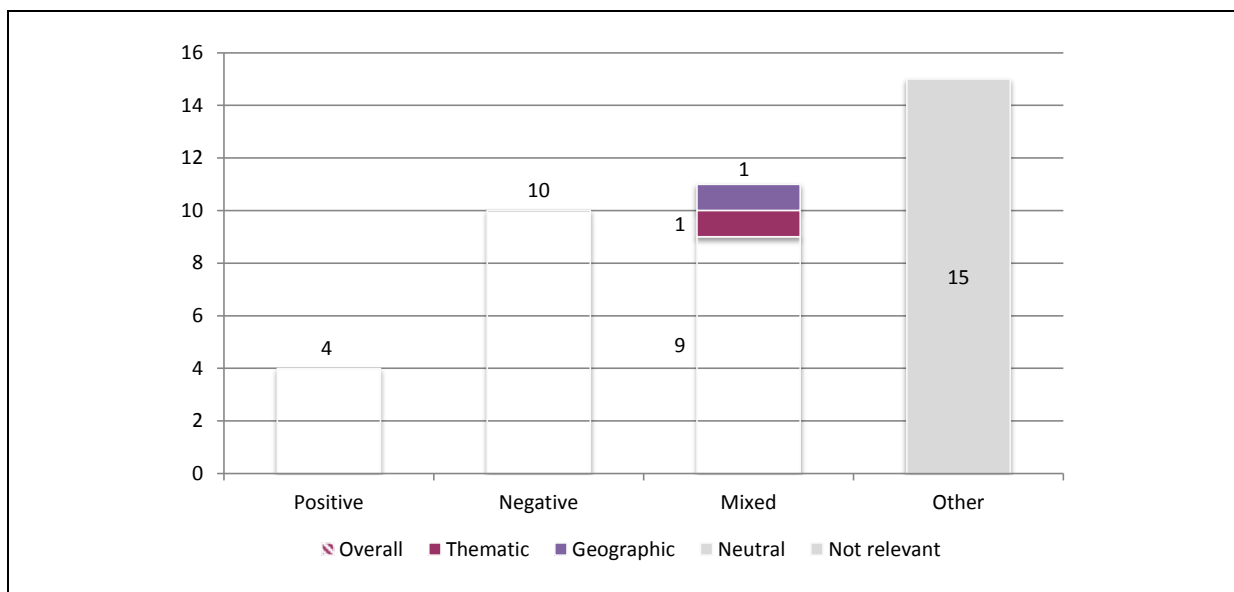
#### **Question 4: DCI ability to adapt to shifts in policy and the external environment**

For this question, a total of 40 contributions were received. The majority of contributions provided a mixed assessment on the extent to which the DCI has been able to adapt to shifts in policy and the external environment. The graph below illustrates the number of contributions that were mainly positive, negative, mixed or other<sup>99</sup>.

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<sup>99</sup> The category other includes contributions that are either neutral or considered as not being relevant for this question.

Figure 5 Question 4: Type of contributions from the online consultation



The majority of contributions provide a mainly mixed assessment. There seems to be a feeling that the DCI has managed to address EU’s internal policy concerns “such as climate change and environment, especially through its thematic programme *Global Public Goods and Challenges*” (EU platform, network, or association) and scaled up migration work following the the adoption of Trust Funds (EU platform, network, or association, research/academia). Yet, some concerns were expressed emphasising that EU’s internal policy concerns (especially related to migration) should not interfere too much with DCI’s primary objective of poverty reduction:

- “*In terms of responsiveness, the scaling up of migration related work has shown that the DCI can respond. However, the rationale and policy framework under which these funds will be used have also changed. The DCI thus increasingly incorporates shorter-term security interests into its development funding as relates to migration. While this may be interpreted as accommodating ‘internal EU policy concerns’, long-term development effects in the area of migration are not only achieved by focusing on security-related aspects.*” (Research/academia)
- “DCI has been used to respond to changes in the external environment, such as the migration challenge. Significant resources have been channelled to EU Trust Funds. (...) activities have been proposed under the geographical programmes that are not in line with the DAC criteria. It is critical that the integrity of ODA is safeguarded.” (Public authority)

The contributions that were mainly negative, mostly emphasised the lack of progress in the area of climate change, e.g.” The Paris Agreement has not induced any major shift in climate funding under DCI, which remains restricted to GPGC. The lack of biodiversity and climate mainstreaming through DCI funding also suggests that the adoption of the 2030 Agenda for Sustainable Development and the international commitments to implement the Addis Ababa Action Agenda on Financing for Development has had *limited impact on DCI’s programming.*” (Organisation or association)

**Question 5: If you have any other views on the DCI you would like to share, they are welcome here.**

In the other views on the DCI section, 42 contributions were provided via the online consultation. Main contributions included:

Complementarity, coherence and coordination of the different programmes and EFIs and with Member States:

- *“In the short term the most important challenge is to further improve on effectiveness and coherence in particular with regard to potential overlaps between the regional and thematic programmes. In the long term: the DCI should be merged with other development cooperation instruments like the EDF. This one development cooperation-instrument shall the implementation of Agenda 2030. This instrument needs to be flexible, the time to delivery shorter. It needs to be ready for cooperation in “multi actor partnerships.” The cooperation with Middle Income countries, promotion of democracy and equity in these countries, is critical.”* (Public authority)
- “The geographic part and the thematic part are not well integrated within the same instrument and those who do not have in-depth expertise are likely to confuse the various plans” (Organisation or association)
- “There are problems with communication and sharing of information concerning the DCI. Whereas the geographic programs are well known, the regional, thematic (GPGC in particular) and Pan-African programs are not.” (Public authority)

#### Efficiency

- “The DCI globally fits for purpose. For its better efficiency, it is advisable that its procedures and access be simplified. The actions it finances should also strive to systematically be consistent with the core values of the EU. It should also fully respect the subsidiarity principle as long one is concerned with the development aid impact and efficiency.” (Public authority)
- “1/ Due to heavy, labor intensive processes, timelines to get to implementation are overly long. 2/ Whilst the introduction of the EU results framework has increased focus on results, there is room to improve further by clearly setting out expected results and ensuring that related indicators in logframes are measurable. 3/ Staffing capacity/ numbers/ skill sets in EUDs continue to remain problematic for example, there has been an emphasis on gender programming, but has there been sufficient expertise building in EUDs to be able to deliver this?” (Public authority)

Involvement of stakeholder and building partnerships also in relation to co-operation with UMICs and MICs:

- *“Beneficiaries should be more involved and engaged in setting and developing the DCI from the beginning.”* (Public authority)
- *“As DCI “looses” development partners (following graduation processes) the question raises whether it would not be wise to bring together in one single instrument all partner countries that will still be dependent on “development aid” in next decade. It would allow the EU to develop a global approach to LDCs and fragile countries -irrespective of past frameworks and financial arrangements.”* (Research/ academia)

#### Technical workshop 27-28 March

The technical workshop took place with representatives of the European Parliament (Secretariats of the Committees and assistants to MEPs), Council working groups and the DCI Committee.

A few comments touched on how to integrate the new EU agenda in the DCI. Others mentioned the advantages and disadvantages of increasing the flexibility of the instrument. The issue of engaging with Middle Income Countries was also raised. Others highlighted the complex architecture of the DCI and how it should be more focused on fewer areas of cooperation to increase impact. The majority of the comments concerned the future direction of the instrument and will not be dealt with in this Staff Working Document.

### ANNEX 3. ACRONYMS

<b>CIR</b>	Common Implementation Regulation
<b>CSO</b>	Civil Society Organisation
<b>DAC</b>	Development Assistance Committee
<b>DCI</b>	Development Cooperation Instrument
<b>DG DEVCO</b>	Directorate General for International Cooperation and Development
<b>EDF</b>	European Development Fund
<b>EEAS</b>	European External Action Service
<b>EFI</b>	External Financing Instrument
<b>EIDHR</b>	European Instrument for Democracy and Human Rights
<b>ENI</b>	European Neighbourhood Instrument
<b>GD</b>	Greenland Decision
<b>GPGC</b>	Global Public Goods and Challenges
<b>IcSP</b>	Instrument contributing to Stability and Peace
<b>INSC</b>	Instrument for Nuclear Safety Cooperation
<b>IPA</b>	Instrument of Pre-Accession Assistance
<b>LA</b>	Local Authorities
<b>MDG</b>	Millennium Development Goals
<b>MIP</b>	Multiannual Indicative Programme
<b>MS</b>	Member States
<b>MTR</b>	Mid-Term Review
<b>ODA</b>	Official Development Assistance
<b>PI</b>	Partnership Instrument
<b>ROM</b>	Results-Oriented Monitoring
<b>SDG</b>	Sustainable Development Goals
<b>UMIC</b>	Upper Middle Income Countries

## ANNEX 4. INDICATORS FOR DCI COUNTRIES

### Level 1 indicators from the EU International Cooperation and Development Results Framework

Source: First Report on Selected Results, July 2013-June 2014, Annual Reports on the implementation of the European Union's instruments for financing external actions in 2014, 2015 and 2016

Name of indicator		DCI	DCI - Asia (Central Asia, Middle East)	DCI - Africa	DCI - Latin America
Proportion of population living below the international poverty line (%)	2014*	12.4	13.2	16.6	7.6
	2015*	11.8	12.6	16.6	6.7
	2016	11.5	12.5	16.6	5.8
Income share held by the lowest 40 % of income distribution (% income, period averages)	2014	18.2	20.3	6.7	12.1
	2015	18.0	20.1	7.2	12.2
	2016	17.8	19.9	7.2	12.6
Real GDP growth, latest available year (%)	2014	4.1	4.6	1.5	4.4
	2015	4.1	4.8	1.5	3.8
	2016	3.8	4.7	1.3	3.0
Real GDP growth, average over five last available years (%)	2014	4.9	6.0	2.4	4.4
	2015	5.1	6.1	2.4	4.9
	2016	5.0	6.0	2.1	4.5
Average Rule of Law score (Worldwide Governance Index, ranges from approx. -2.5 (weak) to approx. +2.5 (strong) performance)	2014	-0.9	-0.9	0.0	-0.9
	2015	-0.7	-0.8	0.2	-0.7
	2016	-0.8	-0.8	0.1	-0.8
Average Control of Corruption score (Worldwide Governance Index, ranges from approx. -2.5 (weak) to approx. +2.5 (strong) performance)	2014	-0.7	-0.9	0.2	-0.5
	2015	-0.7	-0.8	-0.1	-0.6
	2016	-0.7	-0.8	0.0	-0.6
Average Voice and Accountability score (Worldwide Governance Index, ranges from approx. -2.5 (weak) to approx. +2.5 (strong) performance)	2014	-0.8	-1.1	0.6	-0.3
	2015	-0.7	-1.0	0.7	-0.3
	2016	-0.7	-0.9	0.6	-0.3
Number of violent deaths per 100 000	2014*	9.4	5.0	30.8	24.2
	2015	..	..	..	..
	2016	9.3	5.2	33.0	21.8

Cereal yield per ha (kg)	2014	3 520	3 569	3 725	3 032	
	2015	..	..	..	..	
	2016	3 595	3 634	4 320	2 918	
Prevalence of stunting (moderate and severe) of children aged below five years (%)	2014	34.5	37.4	23.9	22.8	
	2015	32.4	34.9	23.9	20.7	
	2016	32.3	34.9	23.9	20.1	
Prevalence of undernourishment (%)	2014*	16.2	17.8	5.0	12.0	
	2015	15.4	17.0	5.0	10.3	
	2016	15.4	17.1	5.0	10.3	
Percentage of the population with access to energy services	2014	78.8	76.2	82.7	90.5	
	2015	81.5	79.0	85.4	92.3	
	2016	..	..	..	..	
Renewable energy production as a proportion of total energy production (%)	2014*	32.6	33.3	0.5	63.2	
	2015	..	..	..	..	
	2016	31.7	31.9	1.1	61.6	
Change in domestic revenue mobilisation as a percentage of GDP over three years	2014	-0.2	-1.1	0.9	0.7	
	2015	..	..	..	..	
	2016	-1.3	-1.8	2.3	-2.4	
Primary Education Completion Rate (%)	Female	2014	85.2	82.3	-	98.5
		2015	86.9	82.4	98.0	100.0
		2016	90.5	88.5	98.0	96.8
	Male	2014	86.2	83.8	-	97.1
		2015	89.1	86.1	93.7	100.0
		2016	90.3	88.7	93.7	96.7
	All	2014	85.8	83.1	-	97.8
		2015	88.1	84.3	95.8	100.0
		2016	90.5	88.7	95.8	96.7
Lower Secondary Education Completion Rate (%)	Female	2014	64.4	62.1	-	76.3
		2015	70.6	67.2	80.9	86.7
		2016	70.4	67.8	80.9	81.8
	Male	2014	63.2	61.7	-	71.3
		2015	69.1	66.9	70.8	80.6

	All	2016	68.9	67.5	70.8	76.3
		2014	63.8	61.9	-	73.7
		2015	69.8	67.0	75.7	83.6
		2016	69.6	67.7	75.7	79.0
Literacy rate of 15-24 year-olds (%)	Female	2014	84.9	81.5	99.3	97.4
		2015	85.0	81.7	99.3	97.4
		2016	87.0	84.1	99.4	97.8
	Male	2014	88.8	86.5	98.5	97.3
		2015	88.8	86.6	98.5	97.3
		2016	89.9	87.9	98.7	97.8
	All	2014	86.8	84.0	98.9	97.3
		2015	86.9	84.1	98.9	97.3
		2016	88.5	86.1	99.0	97.8
	Under-five mortality rate (per 1 000 live births)	2014*	47.6	52.6	43.4	22.3
2015		..	..	..	..	
2016		46.1	50.4	40.5	20.9	
Maternal mortality ratio (per 100 000 live births)	2014*	164.7	178.5	145.0	95.7	
	2015	152.8	163.8	138.0	88.8	
	2016	..	..	..	..	
HIV prevalence among population aged 15-24 years (%)	Female	2014	-	-	-	-
		2015	0.5	0.1	8.1	0.1
		2016	0.7	0.1	11.6	0.1
	Male	2014	-	-	-	-
		2015	0.4	0.1	6.1	0.2
		2016	0.3	0.1	4.0	0.2
	All	2014*	0.5	0.1	8.0	0.2
		2015	0.4	0.1	6.1	0.2
		2016	0.5	0.1	7.8	0.2
Number of deaths per 100 000 from climate-related and natural disasters (average over ten years)	2014	1.8	2.3	0.1	0.6	
	2015	1.4	1.7	0.1	0.6	
	2016	2.1	2.6	0.1	0.5	
CO2 equivalent	2014*	1 506 941	880 536	385 209	241 196	



emission (kilo tons)	2015	1 590 081	942 208	392 719	255 155
	2016	..	..	..	..
Proportion of population using an improved drinking water source (%)	2014	87.5	86.6	95.0	89.9
	2015	87.8	86.9	93	90.5
	2016	..	..	..	..
Proportion of population using an improved sanitation facility (%)	2014	65.6	62.9	74.0	76.1
	2015	69.6	68.3	66.0	77.2
	2016	..	..	..	..
Rate of net forest cover change, since 2000 (%)	2014	-5.3	-5.6	-14.0	-5.0
	2015	-5.8	-6.4	-15.0	-5.4
	2016	..	..	..	..
State of global biodiversity Number of global species <sup>100</sup>	2014	Number of global species			3 038
	2015				..
	2016	Number of global species			3 706
Road density (km. of road per 100 sq. km of land area)	2014	18.4	19.7	30.0	13.3
	2015	19.3	20.8	29.9	14
	2016	..	..	..	..
Proportion of employed people living below the international poverty line (%)	2014*	24.5	29.9	6.3	5.6
	2015	23.8	29.1	6.3	5.2
	2016	..	..	..	..
Share of older persons receiving pensions (%)	2014	34.4	28.8	92.6	32.8
	2015	..	..	..	..
	2016	..	..	..	..
Average Global Competitiveness score (range 1-7)	2014	3.9	3.8	4.4	3.9
	2015	3.9	3.9	4.4	3.9
	2016	3.9	3.9	4.5	3.9
Exports of goods and services as percentage of GDP	2014	30.0	33.9	31.0	23.8
	2015	29.5	33.2	31.3	23.1

<sup>100</sup> This indicator covers results coming from the European Development Fund, the Development Cooperation Instrument, the European Neighbourhood Instrument, part of the Instrument contributing to Stability and Peace, the European Instrument for Democracy and Human Rights, the Instrument for Nuclear Safety Cooperation and the Greenland Decision.

	2016	28.7	32.5	30.9	21.7
Proportion of seats held by women in national parliaments (%)	2014	20.1	17.9	44.8	23.0
	2015	22.6	20.5	41.5	27.2
	2016	22.9	20.7	42.0	27.5
Percentage of women aged 20-24 years old who were married before their 18th birthday	2014	27.0	28.9	5.6	25.0
	2015	28.4	28.9	-	25.7
	2016	24.8	26.2	5.6	24.1
Percentage of women aged 20-24 years old who were married before their 15th birthday	2014	-	-	-	-
	2015	-	-	-	-
	2016	5.8	6.3	0.8	5.0

#### Level 2 indicators from the EU International Cooperation and Development Results Framework

Source: calculations from results framework data set and Annual Report on the implementation of the European Union's instruments for financing external actions in 2016

Name of indicator	DCI Instrument projects and programmes ending between mid-2013 and mid-2014	DCI Instrument projects and programmes ending between mid-2014 and mid-2015	DCI Instrument projects and programmes ending between mid-2015 and mid-2016
Number of human rights defenders who have received EU support	10 000	120	1 500
Number of elections supported by the EU where the electoral process is perceived by independent observers as free and fair	-	1	1
Number of individuals directly benefitting from Justice, Rule of Law and Security Sector Reform programmes funded by EU external assistance programmes	157 000	17 000	105 000
Number of people directly benefitting from legal aid programmes supported by the EU	201 000	76 000	102 000
Number of individuals directly benefitting from EU supported programmes that specifically aim to support civilian post-conflict peacebuilding and/or conflict prevention	502 000	165 000	312 000
Agricultural and pastoral ecosystems where sustainable land management practices have been introduced with EU support (number of hectares)	2 869 000	182 000	196 000
Number of people receiving rural advisory services with EU support	391 000	928 000	660 000
Number of women and men who have secure tenure of land with EU support	51 000	3 800	330
Number of women of reproductive age and children under 5 benefitting from nutrition related programmes with EU support	1 016 000	3 976 000	732 000
Number of food insecure people receiving assistance through social transfers supported by the EU	260 000	643 000	454 000
Number of people provided with access to sustainable energy services with EU support			43 000
Kilometres of transmission /distribution lines built or upgraded with EU support	-	-	16

<b>Number of countries where overall public financial management has improved</b>	-	-	-
<b>Number of children enrolled in primary education with EU support</b>	10 341 000	89 000	4 753 000
<b>Number of children enrolled in secondary education with EU support</b>	9 398 000	199 000	531 000
<b>Number of teachers trained with EU support</b>	28 000	165 000	66 000
<b>Number of births attended by skilled health personnel with EU support</b>	566 000	5 303 000	6 716 000
<b>Number of 1-year olds immunised with EU support</b>	69 000	5 521 000	16 000
<b>Number of women using any method of contraception with EU support</b>	43 053 000	13 238 000	70 000
<b>Number of people with advanced HIV infection receiving antiretroviral therapy with EU support</b>	4 233 000	-	10 000 000
<b>Number of insecticide-treated bed-nets distributed with EU support</b>	150 000 000	-	165 000 000
<b>Number of countries/regions with climate change strategies (a) developed and/or (b) implemented with EU support</b>	22	9	19
<b>Number of hectares of protected areas managed with EU support</b>	13 504 000	3 928 000	1 222 000
<b>Number of Micro, Small and Medium Enterprises (MSMEs) applying Sustainable Consumption and Production practices with EU support</b>	3 700	5 300	9 600
<b>Total length of road constructed /rehabilitated /maintained with EU support (kms)</b>	200	490	860
<b>Number of people with access to all season roads with EU support</b>	494 000	484 000	335 000
<b>Number of people who have benefitted from VET/ skills development and other active labour market programmes with EU support</b>	241 000	163 000	150 000
<b>Number of countries whose capacity to trade across borders has improved with EU support</b>	6	7	1
<b>Number of firms with access to credit with EU support</b>	450	3 600	12 000
<b>Number of quality certifications issued with EU support</b>	88	43	
<b>Number of countries where the business environment has improved with EU support</b>	2	2	4

## **ANNEX 5. EXTERNAL EVALUATION**

The external evaluation can be found here: [https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union\\_en](https://ec.europa.eu/europeaid/public-consultation-external-financing-instruments-european-union_en)