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**Annual Report on the implementation of the European Union's instruments for
financing external actions in 2017**

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INTRODUCTION: EU response to world developments in 2017

The European Union's (EU) external action is guided by the Lisbon Treaty and taken forward by the EU Global Strategy on foreign and security policy¹. In its engagement in world affairs, the EU promotes a joined-up approach, bringing together all available instruments from the EU institutions and Member States, to work towards a more peaceful and prosperous world. In 2017, Europe continued to be confronted with a range of significant challenges. Conflicts and instability were developing both globally and in our Southern and Eastern borders. Terrorist attacks were perpetrated inside and outside Europe. As in previous years, the EU responded comprehensively, using the entire breadth of its policies and tools that span diplomatic, security, financial, trade, development actions and humanitarian aid.

In the **Western Balkans**, the EU is stepping up efforts and political engagement to move forward with credible and irreversible EU integration steps for all the Western Balkans and mitigating regional frictions. The **Eastern Partnership** Summit in November took stock of past achievements and provided guidance for future cooperation based on the '20 deliverables for 2020'. The EU supports all efforts for a lasting peaceful solution respecting the unity, sovereignty and territorial integrity of the **Ukraine** through the complete implementation of the Minsk Agreements and it continues to condemn the illegal annexation of Crimea and Sevastopol by the Russian Federation. This principle and those agreed at the Foreign Affairs Council in March 2016 continue to guide our relations with **Russia**. We are addressing foreign policy and global issues of interest to the EU with Russia while supporting civil society and enhancing people to people contacts.

In the **Middle East and North Africa**, the EU promotes stabilisation and regional integration in the Mediterranean as a strategic region for engagement. The crisis in **Syria** is an important focus of our work, not least through the Brussels process High Representative/ Vice President (HR/VP) Mogherini launched at the United Nations General Assembly (UNGA) and the Syrian conference. The EU supports the stabilisation of **Iraq, Libya and Yemen** in close cooperation with the United Nations (UN) and regional partners. The two-state solution and its existing policies, including on Jerusalem, remains the basis for our engagement in the **Middle East Peace Process**. The EU will continue to work with both Israelis and Palestinians as well as the international community towards this aim.

Implementing and preserving the **Joint Comprehensive Plan of Action (JCPOA) with Iran** remains an important priority. It is a prime example of the EU's ability to deliver conflict prevention through a negotiated international agreement, crucial for regional as well as global stability.

The EU promotes stabilisation and regional integration in **Africa** and is strengthening its strategic partnership with the African Union following the AU-EU Summit (29-30 November 2017). This stronger alliance between the two continents encompasses: peace and security; governance; mobility and migration; investment and job creation, knowledge and skills. Building on the universal 2030 Agenda, the negotiations for a renewed partnership with ACP states after the expiry of the Cotonou Agreement are ongoing as well as the support to the G20 Compact with Africa initiative. Key progress was achieved pursuing the integrated approach to Sahel combining all our instruments in the area of security and development, including the partnership with the G5 Sahel, and in promoting closer cooperation within the Horn of Africa and the broader Red Sea region.

¹ <https://europa.eu/globalstrategy/en/global-strategy-foreign-and-security-policy-european-union>

On transatlantic relations, the EU focus is on strengthening the partnership with the **US, Canada, Brazil and Mexico**. The EU works strategically with the US in all areas of mutual interest and seeks a constructive relationship with the US Administration and other stakeholders within the US, including in areas where differences have emerged. We continued to highlight European security and defence efforts as an enhanced EU contribution to transatlantic burden-sharing and EU-NATO cooperation as a means of strengthening transatlantic security. In 2017 the EU looked at ways to shift the focus of its cooperation with **Latin America and the Caribbean** from development cooperation to a diversified model giving a more prominent role to trade, investment, research and innovation, education and the digital agenda, forging a stronger partnership on foreign policy and global issues, including the shared 2030 Agenda, in defence of common values.

The EU is committed to ensure an active EU security presence and engagement in and with **Asia** at bilateral, regional and global level as well as to engage with partners based on a **sustainable connectivity** between both regions. EU's support to furthering the diplomatic process in the Democratic People's Republic of Korea (**DPRK**) is combined with sustained pressure through severe sanctions. The EU believes that a multilateral process will be necessary to address the DPRK nuclear issue in its entire complexity and achieve lasting peace and security on the Korean Peninsula. The European Union has a huge expertise on nuclear non-proliferation, particularly thanks to the talks with Iran, and is ready to support these processes, in close consultations with key partners, in any possible way.

In 2017, as much as ever, the EU engaged to boost multilateralism. The Global Strategy on the EU's Foreign and Security Policy affirms that the EU will strive for a strong United Nations as the bedrock of the multilateral rules-based order. The EU works closely with partners to advance the agenda on **climate diplomacy** and driving forward the **UN 2030 Agenda for sustainable development**. The EU is also engaged actively in the work on the UN process leading the adoption of a **Global Compact for Safe, Orderly and Regular Migration and the Global Compact on Refugees** as well as in implementing the external aspects of migration, notably through our **strategic partnerships with countries of origin and transit of migrants**.

The UN brings unique value-added to our citizens. The key priority for the EU, together with like-minded partners, is to support the UN through a period of change. The EU is a strong supporter of the UN Secretary General's ambitious reform agenda, has a strategic interest to see reforms unfolding this year, and vigorously supports its implementation. The EU is and will be at the forefront of a more effective UN, building **bridges in support of multilateralism**. In a rapidly evolving global context, conflicts have deepened, and new dangers have emerged. The EU and the UN are indispensable partners to deliver peace and security.

In addition, we have made important headway on the conceptual work on **the Integrated Approach to Conflict and Crises**. On **Resilience** work on a coherent policy framework will continue following the **Joint Communication on Resilience** adopted in 2017. The focus will continue to be on the neighbourhood. During 2017 EU continued to promote external policies and cooperation that enhance the security of the EU and its citizens, focusing on the internal/external security nexus. The EU is engaging with partners inter alia in the areas of counter-terrorism, non-proliferation and disarmament, cyber security, maritime security and sanctions.

1. DELIVERING ON GLOBAL COMMITMENTS

1.1. EU as a stronger global actor

The EU Global Strategy (EUGS) on foreign and security policy sets out EU core interests and principles for engaging in the world and provides a vision for a more credible, responsible and responsive EU in the world. Implementation of the EUGS started on the five priorities endorsed by the European Council of December 2016, namely investing in the resilience of states and societies to the East and South and an integrated approach to conflicts and crises; strengthening security and defence; reinforcing the internal/external policy nexus, with special attention to migration; updating existing or preparing new regional and thematic strategies; and stepping up public diplomacy efforts.

Progress in implementing the EUGS in the area of security and defence was swift and substantial with the work on a Coordinated Annual Review on Defence (CARD)², the establishment of the Military Planning and Conduct capability (MPCC)³, the implementation of the European Defence Action Plan and of the EU-NATO Joint Declaration or the agreement on Permanent Structured Cooperation (PESCO)⁴. Intense work continues on the European Defence Fund and the proposal of the HR/VP with the support of the Commission for a European Peace Facility financed by the Member States. The Defence Union Task Force is operating and adds coherence and coordination to the ongoing work. It is also necessary to focus on the civilian aspects of security and defence, on partnerships and on establishing a truly European strategic culture.

The EU also continued to pursue its strategic interest through fostering dialogues on values and global challenges with key partners across the world. Since 2017, two overarching priorities have been added to the work to implement the EU Global Strategy, support to a global order based on international law with the UN at its core and focus on Cooperative Regional Orders.

The EUGS acknowledges the importance of an international system based on multilateralism. The Sustainable Development Goals (SDGs) will be a cross-cutting dimension in all the work to implement the EUGS. The EU works with partners around the globe to implement the SDGs) and the Paris Agreement on tackling Climate Change. Human Rights and Gender Equality as well as support for Women Peace and Security are a central part of all EU policies. One key priority for the EU is to support the UN through a period of change. This means translating the EU commitment to multilateralism into a proactive multilateral agenda. The EU seeks to broaden conversations, defend and promote European values, build new cross-regional alliances and project influence.

The EU and the United Nations (UN) are indispensable partners to deliver peace and security, both organisations promoting an integrated approach to conflicts and supporting prevention and mediation. An overarching EU-UN strategic partnership is needed for the future, working closely with regional and/or sub-regional organisations, for example with the African Union (AU). The ground breaking joint trilateral AU-EU-UN work on Libya/migration aims to pave the way for

² https://eeas.europa.eu/headquarters/headquarters-homepage/36453/coordinated-annual-review-defence-card_en

³ https://eeas.europa.eu/headquarters/headquarters-homepage/27763/military-planning-and-conduct-capability-mpcc_en

⁴ https://eeas.europa.eu/headquarters/headquarters-homepage/34226/permanent-structured-cooperation-pesco-factsheet_en

enhanced cooperation in the wider peace and security agenda. The support being provided to the G5 Sahel Joint Force shows the importance of investing in global-regional security partnerships. For example, the EU will also consolidate its interaction with the League of Arab States and continue its already strong collaboration with the Union for the Mediterranean.

The EU continued to promote external policies and cooperation that enhance the security of the EU and its citizens, focusing on the internal/external security nexus *inter alia* in the areas of counter-terrorism (capacity building and upgraded dialogue *inter alia* with Turkey, the Western Balkans, Lebanon, Tunisia, Egypt and Jordan), non-proliferation and disarmament, cyber security, maritime security and sanctions. It worked tirelessly with its international partners against the activities of Da'esh. Under the Common Security and Defence Policy (CSDP), the EU operates civilian and military missions worldwide. These missions carry out a variety of tasks, ranging from supporting border management to training local police.

The EU continued work to tackle existing high levels of vulnerability due to humanitarian crisis, drought, and insecurity funding operations for more than EUR 2.2 billion in over 90 countries outside the EU. The EU and its Member States remain the world's largest donor of humanitarian aid providing life-saving aid to the victims of disasters, refugees and others in dire need. The EU and its Member States are also the largest donor of development assistance providing more than half of Official Development Assistance (ODA) globally. In 2017 Commission services alone disbursed EUR 13.34 billion in ODA. This contribution makes a huge difference to millions of people's livelihoods around the world.

The European Union is the world's largest trading bloc. It works with international partners everywhere to promote a free and fairer international trading system, underpinned by the World Trade Organisation (WTO). Implementation of regional strategies and action plans continued, together with promoting the economic and investment aspects of our relations. The attractiveness of EU membership and the political and economic stability it brings have meant that many European countries continue to aspire to join – although they must first pass through EU membership tests, including on democracy and the rule of law.

1.1.1. International Cooperation and Development

In 2017 the European Union remained the world's largest provider of Official Development Assistance, which shows the EU's commitment to the SDGs and to the eradication of poverty. The EU's collective ODA reached EUR 76.6 billion in 2017, representing 0.50% of the EU's GNI. This constitutes a 1.4% decrease compared to 2016 levels and the Commissioner expressed strong concerns over the reduction of EU collective ODA and of development assistance worldwide. The EU also sent a strong message on its commitment to the implementation of the 2030 Agenda with the adoption of a renewed development policy framework, the New European Consensus on Development⁵, in June 2017. The Consensus provides a framework for a common approach to development policy for the EU institutions and the Member States, in support of the implementation of the 2030 Agenda in developing countries (see chapter 1.2.1.). It approaches development cooperation from a broad perspective as part of the EU external action.

⁵ https://ec.europa.eu/europeaid/policies/european-development-policy/european-consensus-development_en

The Commission continued to play a key role in supporting the EU objective of eradicating poverty and promoting sustainable development in developing countries, in the context of the implementation of the SDGs. It also remained strongly committed to strengthening EU and Member States' collective voice and global influence, helping to shape common positions on development matters in international fora, contributing to effective multilateral discussions and strengthening the role of development policy in the EU's external action.

Since the adoption of the Consensus, the Commission has continued to develop tailored partnerships for effective development cooperation. It continued to be a strong supporter of least developed countries in 2017, contributing to the provision of basic services, including through budget support. The Commission also continued its support for middle-income countries, taking account of country capacities and resources available. The Commission services in collaboration with the External Action Service (EEAS) started to develop a new approach for engagement with more advanced developing countries, an issue discussed at the informal meeting of EU Development Ministers in Tallinn in September 2017. The Commission also continued to foster multi-stakeholder partnerships to support implementation of the SDGs in developing countries, in particular supporting the role of civil society organisations.

2017 was an important year for the Strategic Partnership with Africa. A Joint Communication for renewed impetus of the Africa-EU Partnership⁶ was adopted in May, followed by the fifth African Union-EU Summit, held in Abidjan in November under the theme 'Investing in Youth for a Sustainable Future'. The Commission services, together with the EEAS, started preparations towards a new relationship with the countries of the African, Caribbean and Pacific Group of States (ACP), based on the universal 2030 Agenda. The proposed negotiating directives set out the main orientations for a true modern political and targeted partnership between equal partners. This Annual Report also provides information about the implementation of the European Development Fund (EDF) in all three ACP regions in 2017. This encompasses some financial data; a state-of-play of commitments and payments; a presentation of outputs, outcomes and impacts; a presentation of the evaluation exercises undertaken, and lessons learned from them.

In 2017, the Commission also continued efforts to boost sustainable and inclusive growth in EU partner countries, and to contribute to prosperous and peaceful societies, including through the new External Investment Plan (EIP), which aims at contributing to the attainment of the SDGs in partner countries. The EU remains committed to aid-for-trade as a key element of development cooperation, as reflected in the Communication of November 2017 on Achieving Prosperity through Trade and Investment⁷.

The EU and its Member States continue to be global leaders in promoting gender equality and women and girls' empowerment across all EU development activities. The first report on implementation of the EU Gender Action Plan 2016-2020 was published in 2017, highlighting progress in its first year. 2017 also marked the launch of the Spotlight Initiative⁸, a new partnership between the EU and UN to eliminate all forms of violence against women and girls.

⁶ JOIN (2017) 17 final, 4.5.2017

⁷ COM (2017) 667 final, 13.11.2017

⁸ https://ec.europa.eu/europeaid/sectors/human-rights-and-democratic-governance/gender-equality/spotlight-initiative_en

Together with the High Representative, the Commission produced the Joint Communication on a Strategic Approach to Resilience in the EU's external action⁹, which expands the previous approach to resilience to include the adaptability of states, societies, communities and individuals to political, economic, environmental, demographic or societal pressures in order to sustain progress towards the SDGs. This approach is being tested in a number of pilot countries.

The implementation of the EU's external action and the external dimension of the EU's research and innovation policy share complementary objectives, for example in so far as they both contribute towards the EU's international commitments such as the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change. Research and innovation international cooperation is a key vector for sustainable economic, social and environmental development, which are also key objectives of the EU's external action.

1.1.2. European Neighbourhood Policy

In 2017, the EU continued to roll out its revised European Neighbourhood Policy (ENP), aiming to give to the EU greater leverage to achieve its common goals of stabilising Neighbourhood countries and developing more tailor-made partnerships. In this context, revised Association Agendas were concluded with Georgia and Moldova, and the Association Agreement with Ukraine, including the Deep and Comprehensive Free Trade Area, entered into force in 2017. A Comprehensive and Enhanced Partnership Agreement was adopted with Armenia. Partnership priorities for 2017-2020 were also agreed with Algeria and Egypt, while progress was made on identifying similar joint priorities with Armenia, Tunisia, Palestine, Azerbaijan and Belarus. Single Support Frameworks were adopted for Armenia, Georgia, Moldova and Ukraine in the East and Egypt, Jordan, Lebanon and Tunisia in the South. The EU support to Palestine is framed by the European Joint Strategy in Support of Palestine 2017-2020, the first ever joint programming document in the Neighbourhood agreed by the EU, its Member States and like-minded countries. The Multiannual Indicative Programme for Regional East 2017-2020 was also adopted.

The EU continued to engage with all neighbourhood countries through bilateral political dialogues and provided additional guidance and support in their reform efforts. A Joint Communication on developments in the Neighbourhood and implementation of the ENP review¹⁰ was adopted in May 2017.

Financial assistance continued via the European Neighbourhood Instrument (ENI) to support the Eastern Partnership and the Southern Neighbourhood with ongoing and new reforms in the areas of good governance, democracy, human rights and the rule of law, enhancing economic governance, stronger cooperation on security and cooperation on migration and mobility.

The 'Elements for an EU strategy for Syria: Reinforcing efforts to build peace'¹¹ was adopted in March 2017. It set the core objectives for EU action in helping to bring an end to the war and in promoting a genuine political transition. The Communication served to guide the EU's work as host of the international conference on the Future of Syria and the Region, held in Brussels in April 2017,

⁹ JOIN (2017) 21 final, 7.6.2017

¹⁰ JOIN (2017) 18 final, 18.5.2017

¹¹ JOIN (2017)11 final, 14.3.2017

which looked at challenges inside Syria as well as in Jordan and Lebanon, and which was funded and co-organised by Commission services. The EU restated its pledge for 2017 and pledged an additional EUR 560 million for 2018 for Lebanon, Jordan and Syria, with the ambition to maintain this sustained level in 2019. The Strategy also fed into the continuing role of the Commission as Chair of the Core Donors Group on Syria.

In 2017, the focus of migration shifted to the Central Mediterranean route as the main challenge and Libya remained the main country of departure towards Italy. The Commission responded quickly to the recommendations of the Communication 'Central Mediterranean Route – Managing flows, saving lives'¹² issued on 25 January 2017 asking the EU to step up efforts towards the protection of highly vulnerable migrants in Libya, as well as engaging with Libyan municipalities to promote alternative livelihoods and support the resilience of local communities hosting migrants. The pace of implementation of the North of Africa window of the EU Emergency Trust Fund (EUTF) for Africa¹³ increased considerably with eight new programmes approved for a total amount of EUR 232.5 million, as well as one cross-window programme for EUR 8.6 million. In 2017, around 120 000 persons arrived in Italy along the Central Mediterranean route, a 34 % decrease compared to 2016.

In the Southern Neighbourhood area, an increasing share of the EU's non-humanitarian aid for Syria's neighbouring countries is provided through the EU Regional Trust Fund in Response to the Syrian crisis. The Fund primarily addresses long-term economic, educational and social needs of Syrian refugees in neighbouring countries. In 2017, the Fund passed the EUR one-billion goal, set by President Juncker in September 2015 at the informal meeting of the European Council on migration and in the Communication on Managing the Refugee Crisis¹⁴.

2017 was also marked by the EU's continued efforts to strengthen the Eastern Partnership and support regional cooperation between southern neighbours, including through the Union for the Mediterranean. The Brussels Eastern Partnership Summit in November 2017 reconfirmed the joint commitment by EU Member States and the six Eastern Partnership countries to the importance of strengthening common resilience along the four key priority areas of cooperation: economic development, good governance; connectivity and people-to-people contacts. Relations with the Union for the Mediterranean further developed in key strategic sectors, with several ministerial meetings held on water, sustainable urban development and on women.

1.1.3. Humanitarian aid and Civil protection

The European Union together with its Member States is the world's leading donor of humanitarian assistance and is consistently at the forefront of the response to humanitarian crises and disasters. 2017 was another challenging year and humanitarian needs continued to expand, not least in Europe's immediate neighbourhood. There was little or no improvement in the most severe large-scale crises, with 27 % of the people in need concentrated in only three crises: Yemen, Syria and Iraq. The Syrian conflict has created the worst humanitarian crisis of our time with a hundred thousand people dead, more than eleven million displaced and close to 19 million Syrians in need of assistance. An additional man-made crisis that affects the Rohingya population

¹² JOIN (2017) 4 final, 25.1.2017

¹³ https://ec.europa.eu/europeaid/regions/africa/eu-emergency-trust-fund-africa_en

¹⁴ COM (2015) 490 final, 23.9.2015

(Myanmar/Bangladesh), rapidly took dramatic proportions and by the end of the year, affected close to one million people.

Overall, more than 95 million people needed humanitarian assistance in 2017, and almost 65 million people (half of them children) were forcibly displaced. In several countries and regions, the impact of conflict has fed into and been compounded by severe food crises. In 2017, four countries or regions faced an alarming risk of famine: Yemen, north-east Nigeria, Somalia and South Sudan, with about 20 million people considered as being at risk of starvation in these four countries.

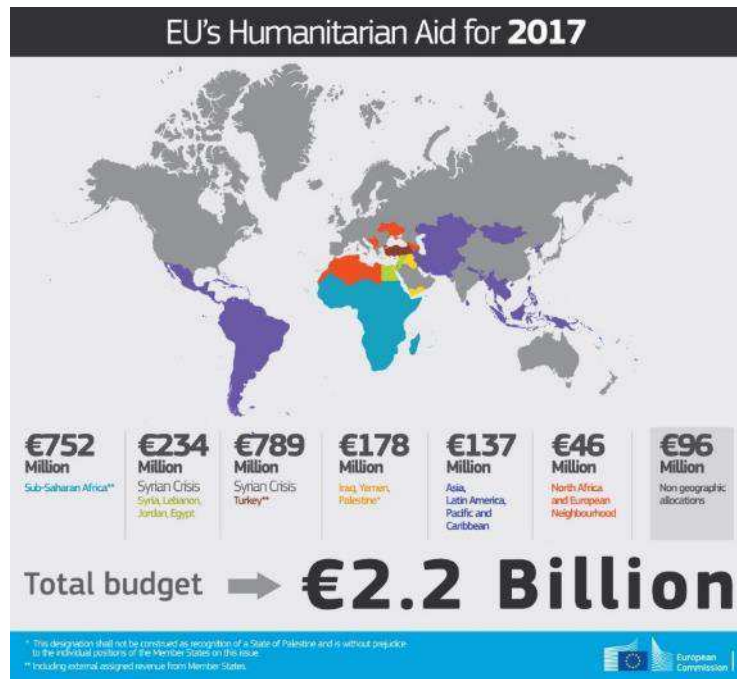


Figure 1. EU Humanitarian Aid in 2017

EU humanitarian aid funded operations for more than EUR 2.2 billion in more than 90 countries outside the European Union. A significant proportion of this supported the conflict-affected populations inside Syria and refugees in the neighbouring countries and regions. The Commission has also continued to be a leading donor in other parts of the world, with Africa continuing to account for a large share of funding.

Support for innovation and digitalisation has, moreover, emerged as a major focus for maximising the impact of EU humanitarian aid. In addition, education in emergencies remains a flagship policy and 6 % of the EU's humanitarian aid budget was devoted in 2017 to education in emergencies. In line with its commitment to support cash as a delivery modality whenever possible, the Commission has encouraged the use of the cash in its programme throughout the world and has now surpassed its initial target of supporting one million of the most vulnerable refugees in Turkey with regular cash allocations.

The Commission's humanitarian interventions mainly consist of funding for the work of operational humanitarian actors. The Commission does not, with some exceptions, intervene directly on the ground. EU humanitarian aid funding is managed by Commission services headquartered in the Brussels and with a field network of 45 offices globally. EU humanitarian aid financing is managed through individual agreements with partner organisations such as United Nations agencies, non-governmental organisations or International Organisations.

1.1.4. EU Enlargement

With its enlargement policy, the Commission continued to work on improving the readiness of the enlargement countries to join the EU. A key political event in 2017 in this area was President Juncker's reinforcement of a clear enlargement perspective for the Western Balkans in his State of the Union address.

As announced in 2016, the Commission moved the adoption of the annual Enlargement Package from autumn to spring. The new timing allows for alignment with the Economic Reform Programme cycle and with the calendar year as a basis for gathering statistical data. The adoption of the next Enlargement Package was therefore rescheduled for April 2018.

The Commission's financial assistance remained focused on fundamental reforms, including a strong emphasis on the rule of law, fundamental rights and civil society, economic governance and socio-economic development, as well as improved good neighbourly relations in the Western Balkans region with a view to overcoming the legacy of the past. Given the complexity of the reforms required, all countries need to make substantial reform efforts, both in terms of the political criteria (including issues such as judiciary, fighting organised crime, freedom of expression, fight against corruption and public administration reform), and on alignment with economic criteria.

With regard to Turkey, 2017 saw a further deterioration of the rule of law and fundamental rights. These negative developments, as well as the degradation of relations with some Member States, have meant that accession negotiations have remained de facto on hold. Despite these negative developments, the EU-Turkey dialogue was maintained on crucial issues of common interest, including on migration, with a key role played by the implementation of the March 2016 EU-Turkey Statement¹⁵.

The Facility for Refugees in Turkey (FRIT), established in January 2016, continued to provide for a joint coordination mechanism of existing instruments and to ensure that the needs of refugees and host communities in Turkey are addressed in a comprehensive and coordinated manner. Despite challenging circumstances, the Commission services succeeded in committing and contracting EUR three billion and disbursing EUR 1.85 billion as humanitarian and non-humanitarian assistance in 2017. The mobilisation of the full Facility envelope in approximately 18 months is a remarkable achievement and constitutes major progress in achieving the EU's objectives.

Throughout 2017, Commission services continued to work in favour of improved connectivity within the Western Balkans and between the Western Balkans and the EU and improved good neighbourly relations in the region with a view to overcoming the legacy of the past. The EU supported substantial investments in the 'Western Balkans Six' (WB6) transport and energy networks with the purpose of creating a regional environment conducive to economic growth and job creation. The connectivity package endorsed at the Trieste Summit in July 2017 included seven new projects financed by the Western Balkans Investment Framework (WBIF) for a total grant size of EUR 194 million, leveraging EUR 500 million in investments. There was also progress in the framework of the WB6 cooperation at political and working level.

¹⁵<http://www.consilium.europa.eu/en/press/press-releases/2016/03/18/eu-turkey-statement/pdf>

1.1.5. Security and Defence

Following up the EU Global Strategy of 2016, important progress was achieved in the area of security and defence. Several substantive steps were taken in 2017 to pursue the objectives set out by the EUGS and to fulfil the new level of ambition as agreed by Council in November 2016, in line with subsequent Council Conclusions adopted in March, May and November 2017 as well as guidance by the European Council in March, June and December 2017.

To make CSDP missions and operations more effective, the Military Planning and Conduct capability (MPCC) was set-up in the EU Military Staff of the EEAS. In June 2017 it assumed the command of the EU's non-executive military CSDP missions. The MPCC will work closely with its civilian counterpart, the Civilian Planning and Conduct Capability, through the new Joint Support Coordination Cell. Situational awareness will be improved through the joint work of the Single Intelligence Analysis Capacity (SIAC) of the EEAS. Steps were also taken to improve the responsiveness of civilian CSDP missions and the Council agreed in November 2017 on a three-stage process to strengthen civilian CSDP, by developing a new strategic approach, presenting a Civilian Capability Development Plan and agreeing a Civilian CSDP Compact later in 2018. To further address rapid response of civilian CSDP missions, Member States decided in November 2017 to create a Core Responsiveness Capacity (CRC) consisting of a reinforced Mission Support Platform (MSP) as well as resources placed in existing CSDP Missions. The overall objective of the CRC is to speed up operational planning processes and deployment in theatre. The CRC can be used when starting a new Mission as well as to provide temporary reinforcement to current Missions.

The review of the Athena mechanism for the funding of the common costs of EU-led military operations was launched, including the common funding of the deployment costs of EU Battlegroup operations. Agreement was also reached with a view to Member States making their EU Battlegroups more flexible and modular to improve their usability.

To develop the right military capabilities, through closer defence cooperation, the Council agreed in December 2017 on the launch of the Permanent Structured Cooperation¹⁶ – a Treaty-based framework and process for willing and able Member States to jointly develop capabilities and improve their operational availability. 25 Member States decided to join the Permanent Structured Cooperation by undertaking the more binding commitments required between one another, as foreseen in the Treaty. Furthermore, agreement was reached to launch the trial run of the Coordinated Annual Review on Defence in 2018 with a view to enhancing transparency and coordination of national defence spending plans. Moreover, important steps were taken towards the establishment by the Commission of a European Defence Fund, in particular the new European Defence Industrial Development Plan, to be launched in 2018 with a view to the start of the programme in 2019.

In December 2017, an amendment to the Instrument contributing to Stability and Peace (IcSP) was approved to add an element of Capacity Building in Support of Security and Development that will allow the European Commission to support military actors, in exceptional circumstances, and only in cases when the military performs a development objective. This will be a useful tool to support EU's partners in addressing their own security needs and to prevent and manage crises on their own.

¹⁶ https://eeas.europa.eu/headquarters/headquarters-homepage/34226/permanent-structured-cooperation-pesco-factsheet_en

As regards EU-NATO cooperation, the implementation of the first common set of proposals (42 actions) agreed under the Joint Declaration signed by EU and NATO leaders in Warsaw, in July 2016, was taken up in 2017 as reflected in the two progress reports submitted by HR/VP Mogherini and NATO Secretary General Stoltenberg to their respective Councils in June and December 2017. Moreover, in December 2017, the two Councils endorsed a common set of new proposals, consisting of 32 additional actions and expanding cooperation to key areas such as counter-terrorism, women, peace and security and military mobility.

1.1.6 External dimension of EU policies

The Partnership Instrument (PI) contributes to EU external action by articulating and implementing the external dimension of internal policies, interconnecting between different policy areas. Actions cover challenges of global concern like climate change and environmental protection; the international dimension of the Europe 2020 strategy for smart, sustainable and inclusive jobs and growth; improving access to markets and boosting trade, investment and business opportunities for EU companies with particular emphasis on small and medium-sized enterprises; and public diplomacy. It targets actions with priority strategic partners of the EU such as India, China, US, Mexico, Brazil, Japan, South Korea, Indonesia and other G20 countries.

The mid-term evaluation finalised in December 2017 confirmed that the Instrument is fit for purpose. Despite its relatively limited envelope and novelty, the PI is effective in delivering results. The PI acts as an enabler, opening up areas for dialogue and cooperation in practical terms. Political dialogues combined with technical assistance related to EU norms and standards have proven to have a positive impact on decision making with partners, enabling talks and negotiations with the EU.

In 2017, the PI saw 23 stand-alone actions adopted for a budget of EUR 116.9 million covering the following areas: climate change action post COP-21; sustainable environment and energy; economic empowerment of women; trade and market access, fair competition and transparency; and public diplomacy.

FPI Specific objective 1.6: EU and partner countries have developed joint approaches and responses to challenges of global concern. Under this objective, 13 new stand-alone actions were adopted in 2017, for a total of EUR 64.15 million. Activities underpin the growing recognition of the EU's key role on climate change, environment and energy while also advancing cooperation on responsible business conduct and security.

FPI Specific objective 1.7: Partner countries take up measures and actions towards the implementation of the international dimension of the EU 2020 strategy. In 2017, PI enabled and supported policy dialogue and cooperation with a wide range of partners for the realisation of the external dimension of the Europe 2020 strategy as well as strengthening of the EU's political relationship with partners more broadly. Under this objective, six stand-alone actions were adopted in 2017, with a special accent on the themes of Responsible Business Conduct and Economic Empowerment of Women.

FPI Specific objective 1.8: Understanding and visibility of the Union and its role on the world scene is enhanced and widened. In 2017, PI public diplomacy actions allowed the EU to engage with a broad

range of stakeholders in key partner countries to build trust and mutual understanding. Activities targeted students, academia, policymakers, civil society and cultural operators. The actions contributed to enhancing knowledge and understanding of the EU. Under this objective, one public diplomacy action was adopted in 2017.

FPI Specific objective 1.9: Improved fulfilment of EU's economic interests (trade, investment and business). In 2017, the PI strengthened engagement between the EU and economic and business stakeholders with a view to opening market access and ensuring a level playing field for EU companies. Under this objective, three actions were adopted in 2017 covering the areas of involvement of civil society organisations in trade agreements and business-related policy dialogues.

Legal and Illegal Trade in Wildlife Species between the EU and Mexico (Policy Support Facility): Comprehensive analysis of the trade of CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) listed species between Mexico and the EU (whether legally or illegally traded), in order to pave the way towards the development and implementation of actions to ensure their conservation, and guarantee that their trade is legal, sustainable and traceable.

EU-India cooperation on Information and Communications Technology (ICT-) related standardisation, policy and legislation: India is a strategic economic partner for the EU and a key player both in the South Asia region and at global level. Significant market access barriers exist in the Indian ICT sector and there is a risk that additional India-specific ICT standards could result in further market access barriers for European companies. The action is a clear example of how the PI supports mutually beneficial objectives. The project helped facilitate collaboration on standard setting and capacity building with a view to supporting the realisation of a digital society / the Digital Agenda. Furthermore, it acted as a catalyst for an active dialogue between EU and Indian experts from the public and the private sectors, leading to the identification of priority areas (including 5G and Intelligent Transport Systems) for cooperation.

1.1.7. Making a difference: new instruments and aid modalities

In 2017, the EU began its implementation of the EIP. The adoption of the EIP represents a watershed moment for EU external action. The EIP intends to catalyse private sector involvement to achieve development impact and pursue EU policy priorities in Sub Saharan Africa and the EU Neighbourhood countries. Those are set in the UN 2030 agenda, the Addis Ababa Action Agenda on Financing for Development, the 2017 European Consensus on Development, the EU Communication 'The Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries'¹⁷ and in the EU Neighbourhood Policy (as revised in 2015).

This new instrument aims at contributing to the attainment of the SDGs in partner countries. It addresses the many challenges faced by our global community, from climate change to instability, by developing projects with these priorities in mind and in so doing create an environment of Prosperity and therefore Peace. It is an important contribution to the implementation of the Addis Ababa Action Agenda on development financing, as it aims at mobilising additional resources for

¹⁷ COM (2014) 263 final, 13.5.2017

development, and it contributes to the implementation of the Paris Agreement on climate change to protect our planet.

The EIP structure includes three pillars combining development finance (under the framework of the European Fund for Sustainable Development), technical assistance and policy dialogue to mitigate the risk of investments in partner countries with the aim of stimulating growth and job creation. The new Guarantee Facility that has been set up will initially address five priority areas (or investment windows): connectivity (renewable and clean energy as well as energy efficiency and sustainable transport connections); affordable finance for micro, small and medium enterprises; agriculture; digitalisation; and sustainable cities. Crucial objectives such as creation of employment and climate change adaptation and mitigation are addressed horizontally.

After the initial stages of implementation, the EU invited partner Financial Institutions to submit innovative Proposed Investment Programmes: portfolios of investments covering the European Neighbourhood and Sub-Saharan Africa. Together with partner countries, partner financial institutions and in collaboration with EU Delegations, the EU will ensure that actual investments will materialise in partner countries in sectors and regions that are most in need. In addition to the Guarantee Facility, in 2017 the EU approved a contribution of approximately EUR 1.3 billion for blended finance operations, with the aim of unlocking a total of around EUR 11 billion of public and private investment.

Synergies are sought with the budget support modality to offer platforms for policy dialogue and provide incentives for reforms towards an improved investment climate in partner countries. Budget support contracts are implemented in 91 countries or territories across the world. They offer a comprehensive framework to make sure that investments serve the countries' development agenda, with due considerations for issues such as policy coherence, social and environmental progress, macroeconomic stability, domestic revenue mobilisation, asset management and maintenance, or accountability. These are preconditions for returns on investment to be sustainable and of benefit to all.

The EU has also further developed modalities to strengthen its engagement in partnering with civil society organisations. At global and regional level, 23 Framework Partnership Agreements have been implemented with global and regional platforms for civil society. At country level, support to smaller civil society organisations has been used more frequently than in previous years.

In September 2017, the EU also launched the first Policy Lab in External Relations, which is a tool based on participatory leadership methods stimulating open conversations and active engagement between local stakeholders, youth, public experts and EU representatives. The selected topic was employment policies for young people who are not in employment, education or training (NEETs), for the benefit of Morocco, Algeria and Tunisia. This creative and innovative approach was extremely well received by the participants, who showed an extraordinarily high level of engagement. Using their mapping and analysis, the participants formulated policy recommendations for youth employment initiatives for the next programming cycle of the EU bilateral cooperation with Tunisia, Morocco and Algeria. A new Lab will soon be launched in the Western Balkans.

1.2. Fostering sustainable development

1.2.1 Implementing the 2030 Agenda comprehensively and coherently

In 2017, further to the Commission proposal, the new European Consensus on Development was signed on 7 June 2017 as a Joint statement by the Council and the representatives of the governments of the Member States, the Parliament and the Commission. The new Consensus built on the Commission's extensive policy analysis and multi-stakeholder consultation.

The new Consensus constitutes a comprehensive common framework for European development cooperation. For the first time, it applies in its entirety to all EU Institutions and all Member States, which commit to work more closely together.

The new Consensus is the EU's response to today's global trends and challenges in the area of international cooperation and development. It aligns EU external action to the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) by setting out the main principles which will guide the approach of the EU and its Member States to cooperation with developing countries, as well as a strategy for reaching the SDGs. The Consensus reflects the framework of external action provided by the Lisbon Treaty, and also relates to the EU Global Strategy on Foreign and Security Policy.

Structured around the '5 Ps' framing the 2030 Agenda (People, Planet, Prosperity, Peace and Partnership), the Consensus puts forward a balanced and integrated approach to the economic, social and environmental dimensions of sustainable development. Poverty eradication remains the primary objective. The Consensus highlights the contribution of development policy to the objectives of EU external action, as set out in Article 21 of the Treaty on European Union. It underlines the links between development and other policies, particularly, but not exclusively, humanitarian aid, environment, climate change, migration, security and trade policies.

The Consensus integrates a comprehensive approach to implementation, drawing on the framework agreed in the Addis Ababa Action Agenda, combining aid with other resources with sound policies and a strengthened approach to Policy Coherence for Development. It includes a more coordinated approach to development by the EU and its Member States, promoting joint programming and joint actions. It puts emphasis on better-tailored partnerships with a broader range of stakeholders and partner countries and highlights the importance of development effectiveness, transparency, mutual accountability and ownership by all partners involved, as well as ensuring that all means are used to deliver on the SDGs.

1.2.2. The means of implementation of the new Agenda

Consistent with the new Consensus, the 2030 Agenda and the Addis Ababa Action Agenda, the EU continued to play a leading role in UN financing for development negotiations in 2017. This included high-level participation at the UN Financing for Development Forum, which reviewed progress against the Addis Ababa Action Agenda on development financing, as well as work to strengthen the UN follow-up processes and support the Inter-Agency Task Force on financing for development.

The EU has continued to emphasise the key elements of the Addis Agenda in multilateral and bilateral discussions. These include public, private domestic and international financial sources, as well as a commitment to good policies and policy coherence, all of which are needed to fulfil the Sustainable Development Goals.

The EU has been active in working towards its own Addis Ababa commitments in 2017 ([see the Investing in sustainable development report](#)). The EU and its Member States remain the world's largest ODA donor. ODA provided by the EU and its Member States reached EUR 76.6 billion in 2017 representing 0.50 % of EU Gross National Income (GNI). This constitutes a 1.4% decrease compared to 2016 levels. This decrease is explained by a reduction in the amounts of debt relief operations, of in-donor refugee costs, and of an increase in reflows of European Investment Bank's loans. The EU expressed strong concern about the reduction of EU collective ODA and development assistance worldwide. The EU remains however significantly above the 0.21% ODA/GNI average of non-EU countries that are members of the Development Assistance Committee (DAC).

The EU's actions in 2017 have also helped to bring together aid, investment, trade, domestic resource mobilisation and good policies. Examples include the EU External Investment Plan with a European Fund for Sustainable Development (EFSD) that is expected to leverage EU contributions of EUR 4.1 billion into at least EUR 44 billion of extra investment to improve economic and social development in Africa and in the countries neighbouring the EU. Given the importance of the private sector as a contributor to growth and job creation, the EU has taken strong measures to promote private sector development through assistance for investment climate reforms, lending and venture capital facilities, and technical assistance to businesses, including Micro, Small & Medium Enterprises (MSMEs). Support to domestic resource mobilisation has helped improving the transparency, fairness, effectiveness and efficiency of tax systems in partner countries.

Better knowledge of the array of resources available for sustainable development is crucial to promote synergies and coordination to implement the 2030 Agenda. The EU has been supporting the use of Development Finance Assessments as a diagnostic tool for partner countries. Additionally, the EU has been supporting the process of ODA modernisation and the development of the statistical measure Total Official Support for Sustainable Development (TOSSD) that aims to improve the transparency about available means of implementation, such as investment, private mobilised resources, technical and south-south cooperation and financial flows from emerging donors.

1.2.3. Working better together with Member States – Joint Programming

The new European Consensus on Development places Joint Programming at the centre of the EU's effort to work better together with Member States to implement the 2030 Agenda through support to partner countries' national development plans. By bringing together resources and capacities, Joint Programming increases the collective impact and visibility of European development cooperation and external action. Programming together and the trust that this process builds, also facilitates at country-level a general more joined-up approach by European partners on broader issues. The new Consensus also strengthens the European commitment to inclusive joint implementation based on shared objectives and promotes joint working with a large set of like-minded partners including Member States' agencies and financial institutions, private sector, civil society and academia.

In May 2017, an independent strategic evaluation of EU Joint Programming process of development cooperation (2011-2015)¹⁸ was published. It concluded that the Joint Programming exercise has been instrumental in increasing coordination between the EU, Member States and other associated development partners, in some cases enhancing the EU and Member States' voice and leverage at country level. Despite the short history of Joint Programming, the evaluation also concluded that it can positively deliver on the predictability of development assistance and promote better complementarity and synergy within the European group thus contributing to development effectiveness. The mid-term review of the external financing instruments in 2017 also concluded that through the use of Joint Programming with Member States and other donors, a more coherent and visible EU response to partners countries development has been created.

At the end of 2017, twenty-six Joint Programming documents existed, of which seven were completed during the year. A Joint Programming process was ongoing in an additional thirty-six partner countries during the period, implementing different approaches and at different stages of advancement.

1.2.4. Policy Coherence for Development

The EU takes account of the objectives of development cooperation in all the policies that it implements which are likely to affect developing countries. This is known as Policy Coherence for Development (PCD) and is enshrined in the Treaty of the Functioning of the European Union. The EU aims to minimise contradictions and build synergies between its different policies to the benefit of partner countries and to increase the effectiveness of development cooperation.

In 2017, the Commission continued promoting PCD, including by embedding it in the new European Consensus on Development, which reaffirmed the EU and its Member States' commitment to PCD and highlighted PCD as an important contribution to the achievement of SDGs by partner countries and to the broader objective of policy coherence for sustainable development.

Given that the implementation of the 2030 Agenda requires a whole-of-government approach and coordination efforts at all levels, the PCD approach needed to be reviewed to better integrate the work on PCD into the overall EU effort on sustainable development. As a consequence, work on PCD has been integrated in the work of the Commission inter-service group on the overall follow-up of the 2030 Agenda, involving all Commission services and EEAS.

Regular contacts were maintained with focal points in other Commission services. A continued dialogue with Member States, the European Parliament and civil society helped inform the Commission's work.

Reporting from EU Delegations on PCD issues was further reinforced. A consolidated feedback was sent to EU Delegations.

Work on the strategic evaluation on PCD, covering the period 2009-2016, started in 2016. This intensified in 2017 with desk reviews, targeted consultations with Member States, Commission line-

¹⁸ https://ec.europa.eu/europeaid/evaluation-eu-joint-programming-process-development-cooperation-2011-2015_en

DGs, EEAS and EU Delegations, and closer examination of some policies taking account of their impact on developing countries, including field visits.

1.2.5. Development effectiveness and Joint Programming

In 2017, Development Effectiveness (DE) was confirmed as a core principle of EU development cooperation by the new European Consensus: it is ‘fundamental for achieving the SDGs and should underpin all forms of development cooperation’. The European Commission attended two Steering Committee meetings, representing also the EU Member States; the April Steering Committee meeting approved the new 2017-2018 Programme of Work of the Global Partnership for Effective Development Cooperation (GPEDC).

At the end of 2017, seventeen Joint Programming documents existed, and six more were being negotiated during the year. A Joint Programming process was ongoing in an additional thirty-six partner countries during this period, implementing different approaches and at different stages of advancement.

The Commission is directly engaged in its implementation, through direct funding to the United Nations Development Programme (UNDP)/ Organisation for Economic Co-operation and Development (OECD) Joint Support Team, in the areas of implementing and enhancing development effectiveness at country level; and in reviewing the scope of the monitoring framework and unlocking bottlenecks. Also, based on the experience in Joint Programming in 2017, development partners show good alignment with countries’ development strategies. There has been initial work in use of country-led results frameworks and monitoring and evaluation systems which needs to continue.

In 2017, the Commission was also involved in some of the Global Partnership Initiatives (GPIs) stemming from the GPEDC: as lead, on transparency (International Aid Transparency Initiative - IATI) and Joint Programming; and, as partner, in Results and Accountability, Role of Local and Regional Governments in effective development, civil society organisations (CSO) enabling environment and New Deal for Engagement in Fragile States among others.

1.3. PEOPLE – Human Development and dignity

1.3.1. Human Development

Eradicating poverty (SDG 1), tackling inequalities and discrimination (SDG 10) and leaving no-one behind are at the heart of EU development cooperation policy. The Human Development objectives pursued under the Global Public Goods and Challenges aim to foster economically, socially and environmentally sustainable development in an integrated and holistic way, through coherent, coordinated and focused action, in complementarity with the geographic programmes, in the key area of human development, such as health, education, social protection, sustainable agriculture, food and nutrition security, contributing particularly to achieving SDGs 1 (no poverty), SDG 2 (zero hunger), SDG 3 (good health and well-being), SDG 4 (quality education) and SDG 5 (gender). In 2017,

thematic programmes were very active in promoting inclusive and sustainable growth for human development, through numerous actions in each sector.

EU contributions to global initiatives on health and education, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), the Vaccine Alliance (GAVI), and the Global Partnership for Education (GPE), and Education cannot Wait, have allowed the EU to play a significant role in shaping the international policy agenda, both in financial terms and through proactive involvement in defining strategies and policies, and in the overall governance of these organisations. Support through these initiatives have, for instance, ensured that 18.5 million children could go to school, helped put 11 million people on life-saving HIV-treatment, detected and treated 17.4 million cases of tuberculosis, and distributed 7 953 million bed nets to prevent malaria.

Numerous activities were carried out in the areas of Education and Culture (SDG 4). An innovative action to support inter-cultural and inter-religious dialogue in countries with fragile situations was launched in March and five initiatives were identified (implementation to start in 2018). At the end of 2017, the EU also adopted a new programme supporting investment in culture and creativity aimed at strengthening cultural and creative industries, public governance and valorisation of cultural heritage in key partner countries. Concerning education, it is worth noting progress made in addressing the global learning crisis, in particular regarding vulnerable groups in low income countries (LICs) and for children in situation of crises, whose access to education improved.

The 'Global Report on Food Crises' was launched officially in March reporting on over 108 million people in food crisis situations globally, and several hotspots at risk of famine, notably in South Sudan, Somalia, Nigeria, and Yemen, in addition to Afghanistan, Ethiopia, Malawi, and Syria. Resources were allocated in time for responses to specific crises and for global initiatives, tackling SDG 2. As the needs identified largely exceeded the available resources, the technical partnership producing the Global Report played an increasing strategic role in promoting the Global Network against food crises, resulting in United States Agency for International Development (USAID) becoming an active member of the strategic discussion.

Activities in Social Protection were also carried out as planned. An agreement was signed in November with a consortium of Member State Agencies to implement the vocational education and training (VET) Toolbox Facility. The VET Toolbox aims to deliver high quality expertise and capacity building to public and private stakeholders with a view to enhance labour market intelligence, increase the involvement of the private sector in VET as well as to foster inclusion of women and of vulnerable groups in VET programmes, addressing both SDG 4 (quality education) as well as SDG 5 (gender equality). Concerning SDG 10 (reduced inequality), the Research Facility on Inequalities was launched in mid-2017 and, in line with its work plan, the SOCIEUX+ project on EU Expertise on Social Protection, Labour and Employment set up its governance and management structure. In addition, SOCIEUX+ received 34 new eligible requests, and implemented 18 actions (ongoing / completed) in 13 countries, while preparing an additional 22 actions.

In the area of vocational education and training, the European Training Foundation (ETF) supports the European Commission's global actor role, notably by disseminating and applying EU policies in the partner countries of South East Europe and Turkey, the East and South Neighbourhood, and Central Asia. The ETF actively promotes policy learning by facilitating sharing of expertise and country self-assessment in the policy areas of good quality human capital development, employment-oriented lifelong learning, and employability more broadly. The ETF opens and sustains

debates in the partner countries in innovative areas such as skills for the future, digital skills, entrepreneurial learning, work-based learning, skills financing and governance.

A project on 'Promoting responsible value chains in the garment sector' with a focus on Decent Work and Transparency and Traceability was financed, with the aim of improving work and sustainability conditions in global garment value chains. It includes three modules: the first two focus on decent work and compliance with labour standards and the third on transparency and traceability efforts.

In the area of conflict minerals and a responsible supply chain, enhanced and progressive formalisation of the Artisanal and Small-Scale Mining sector has been promoted, in partnership with other downstream economic operators, in compliance with the provisions of the new EU Regulation on Conflict Minerals. The action is expected to increase socio-economic conditions of miners in Conflict Affected and High-Risk Areas through capacity building and adoption of responsible mining practices that mitigate the various circumstances of vulnerability.

A EUR 10 million project on 'Women's Economic Empowerment' including support for micro, small and medium-sized enterprises (MSMEs) in developing countries was approved in the context of blending operations. It aims at promoting women's economic empowerment and financial inclusion in Sub-Saharan countries by improving access to suitable financial products and services, essential critical skills, digital enablers and capacity building services for financial institutions and end beneficiaries. The action will leverage public and private resources through blending and contribute to defining scalable and replicable approaches in other cooperation programmes such as the EIP.

In March, the EU adopted revised EU Guidelines on the Promotion and Protection of the Rights of the Child. This revision, which sets out the EU's overarching strategy, aims to ensure that EU policies and actions support the strengthening of partner countries' systems, including child protection. A call for proposals on 'De-institutionalisation and alternative care for children' (to be launched in February 2018) was also prepared.

1.3.2. Gender equality and women's empowerment

Gender equality and women's empowerment is a key component of EU development policy as well as of international agreements, featuring prominently in the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs).

Commission services contributed substantially to the operationalisation of the 2030 Agenda in the field of gender equality. The year 2017 was marked by the beginning of The Spotlight Initiative (SI), a new partnership between the EU and UN to eliminate all forms of violence against women and girls, including harmful practices. The SI is backed by an unprecedented amount of EUR 500 million from the EU and aims at achieving transformational change at the regional level, concentrating efforts in Asia, the Pacific region, Africa (particularly Sub-Saharan Africa), Latin America and the Caribbean. Based on evidence, the Initiative will focus on particular forms of violence against women and girls that are prevalent or prominently emerge in specific regions: Femicide in Latin America; Trafficking in human beings and sexual and economic (forced labour) exploitation in Asia; Sexual and gender-based violence (including harmful practices and sexual and reproductive health and rights) in Sub-Saharan Africa; Domestic violence in the Pacific region and Domestic and family violence in the

Caribbean. A first commitment of EUR 25 million of programmes was finalised end of 2017 on Migrant/Domestic female workers in ASEAN countries. In addition, a EUR 32 million global Call for Proposals on gender-based violence was launched.

The Gender Action Plan 2016-2020 (GAP II) implementation is fully underway and the first report covering the year 2016 was published in 2017. This report highlights the progress made in the first year through continued action for instance with regard to commissioning or updating gender analysis studies or profiles; coordinating for the identification of thematic objectives as well as the preparation of the reports contributing to the current review; the nomination or appointment of gender champions and continuous renewal and reinforcement of the Gender Focal Persons network; training on integrating gender dimensions; a move in the right direction for gender mainstreaming of core training curricula for EU staff; and greater collaboration on gender equality and women's empowerment between Delegations and Member States in partner countries. Furthermore, the commitment to mainstreaming or integrating gender analysis and perspectives across all instruments and modalities is gaining prominence within the Commission, even if the practice is not yet as robust as intended. The figures regarding the new decisions and contracts for 2016 indicate a further increase in the ODA gender sensitive allocation: EUR 9 400 million are marked with OECD Gender Marker G1 indicating actions that are gender mainstreamed, while EUR 419 million have been allocated to specific actions for gender equality and women's empowerment (marked OECD Gender Marker 2).

The Commission monitors closely developments with regard to gender equality and the fight against gender-based violence in the Enlargement Region. These issues are also addressed in the context of accession negotiations under chapters 19 and 23 and the Stabilisation and Association Process. Developments over the last year were reported in the 2017 Enlargement package¹⁹. The EU accession process has also prompted legal reforms in the field of gender equality. It is positive that all countries except Kosovo have ratified the Council of Europe Istanbul Convention on Combating Violence against Women and Domestic Violence.

1.3.3. Migration, forced displacement and asylum

While only representing roughly 3 % of the world population, the number of international migrants has increased in recent years, reaching 258 million in 2017²⁰ - compared to 220 million in 2010 and 173 million in 2000. Global forced displacement figures remain at all-time high. During 2017 the EU as a whole received over 600 000 first-time asylum claims, registering a significant reduction compared to previous years²¹. At the same time, the vast majority of worldwide refugees continue to be hosted by developing countries. While the total number of recorded deaths of migrants has decreased compared to 2015 and 2016, the numbers are still deplorable with more than 5 400 estimated to have died or gone missing in 2017 while trying to cross international borders. The journey on the central Mediterranean route including the crossing of the Mediterranean is by far the most dangerous route, with one death for every 42 arrivals.

¹⁹ http://europa.eu/rapid/press-release_IP-18-3342_en.htm

²⁰ United Nations - International migration report 2017

²¹ Eurostat, [Asylum and first time asylum applicants by citizenship, age and sex Monthly data \(rounded\)](#)

In this context, migration and mobility remained high on the EU agenda in 2017, including for EU development policy. Migration is now incorporated in the 2030 Agenda for Sustainable Development, which recognises international migration as a multidimensional reality of major relevance for the development of countries of origin, transit and destination, requiring coherent and comprehensive responses. Supporting partner countries to better address the challenges, but also seize the opportunities of migration, is now strongly anchored in EU development policy as expressed in the European Consensus on Development.

The EU continued its active multilateral involvement in the process of elaborating two Global Compacts for Migrants and Refugees, as a follow-up to the UN Summit on large movements of refugees and migrants in 2016. The Global Compacts represent a unique opportunity to ensure improved governance of migration and forced displacement at international level. Balanced, concrete and action-oriented results are sought, firmly rooted in a long-term vision, fully aligned and supportive of the migration-related targets of the 2030 Agenda.

In January, the Commission and the HR/VP presented a Joint Communication – Migration on the Central Mediterranean Route, Managing flows, saving lives²², outlining a comprehensive strategy to strengthen EU engagement along this route, with a focus on Libya. EU focus is first and foremost on continuing to save lives and improving the lives of migrants and refugees in Libya and neighbouring countries, on fighting smuggling of migrants and trafficking in human beings and to improve the overall management of migratory flows on this route. The joint African Union-European Union-United Nations Task Force, established in November reiterated these commitments and support was reinforced with a focus on protection and return and reintegration assistance to vulnerable migrants in Libya.

The Partnership Framework²³ with third countries under the European Agenda on Migration, adopted in June 2016, remained the main framework for political and operational engagement with partner countries on migration. All instruments and tools available to the EU and its Member States are pooled to deliver on jointly agreed targets and commitments, including in areas such as resilience and job creation, infrastructure, investments, protection of vulnerable migrants, assistance to refugee hosting countries, border management, combatting migrant smuggling and trafficking in human beings and addressing the root causes of forced displacement. Among a range of EU tools available, the EU Trust Fund for Africa has effectively contributed to ensure that the EU approach is delivering concrete results, having reached close to EUR 2.4 billion in approved support programmes at the end of 2017. By creating large numbers of decent jobs and addressing poverty in Africa and in the Neighbourhood, including in Least Developed and fragile countries, the European External Investment Plan, launched in 2017, will contribute, in the long term, to address some of the root causes of irregular migration. It will do so by leveraging some EUR 44 billion of private investment by 2020.

In the context of the European Commission's Knowledge Centre on Migration and Demography (KCMD) and in support of the Migration Partnership Framework, a series of Migration Profiles²⁴ has been issued providing up-to-date and context-specific information and analysis of key third countries of origin and transit. Also, complementarities with the World Bank's Global Knowledge Partnership

²² JOIN (2017) 4 final, 25.1.2017

²³ COM/2016/0385 final, 7.6.2016

²⁴ <https://ec.europa.eu/jrc/en/migration-and-demography/knowledge/profiles>

on Migration and Development (KNOMAD) have been sought linked to the migration-development nexus for improved and more evidence-based policymaking and better-informed public debate on migration and forced displacement at global and EU level.

1.3.4. Culture, Education, Research, Innovation and Health

The EU continued its proactive engagement towards achieving SDG 4²⁵, supporting more than 45 countries in their efforts to strengthen education systems. The EU also worked with the Global Partnership for Education (GPE) that supports basic education focussing on the poorest countries and/or those in fragile situations. The priority is to provide all children access to education and ensuring that they learn when in school. Through EU support to the GPE, 72 million more children were in primary school in 2015 in GPE partner countries compared to 2002. Primary school completion rate was 76 % in GPE partner countries in 2015 compared to 63 % in 2002. For girls, the rate increased from 56 % to 74 %. Completion rate for lower secondary education increased from 35 % in 2002 to 50 % in 2015 in GPE-supported countries.

The EU maintains a special focus on education in emergencies and crises. It adopted a EUR 21 million programme with the objective to support education needs in protracted crisis, focussing on improving quality of education in safe learning environments and building global evidence base to inform future support.

Through the Erasmus+ programme, the EU sustained support to partner developing countries to enhance employability of individuals through roughly 40 500 mobilities for university students and staff from higher education institutions, and scholarships for joint Master degree programmes as well as 149 projects to modernise higher education programmes, institutions and systems through capacity building projects. In addition, in 2017, there were approximately 350 international participations in Horizon 2020 collaborative research and innovation projects, supported with an EU contribution of about EUR 40 million.

The EU continued to support the Global Fund, and GAVI, the Vaccine Alliance, and in coordination with the EU instruments for financing external actions, through its Framework Programme for Research and Innovation, Horizon 2020²⁶, continued support was given to research fighting poverty related and neglected infectious diseases as well as regional initiatives, like the second European and Developing Countries Clinical Trials Partnership programme (EDCTP2)²⁷, and other multinational initiatives. The three main communicable diseases, HIV/AIDs, Tuberculosis and Malaria, as well as child and maternal health remain a major challenge for many EU partner countries in their efforts to achieve the Sustainable Development Goal (SDG 3) on health and well-being.

The EU's support to the Global Fund to fight AIDS, Tuberculosis (TB) and Malaria has contributed to impressive results²⁸: 22 million lives saved; 11 million people on life-saving HIV-treatment in 2017; a decline by more than one-third in the number of people dying from HIV, TB and malaria since 2002 in the countries where the Global Fund invests; 17.4 million people have received TB treatment and 795 million mosquito nets distributed through programmes for malaria. EU support for GAVI

²⁵ Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

²⁶ http://ec.europa.eu/research/participants/data/ref/h2020/legal_basis/fp/h2020-eu-establact_en.pdf

²⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0556&from=EN>

²⁸ https://www.theglobalfund.org/media/6773/corporate_2017resultsreport_report_en.pdf

contributed to 339 million additional children being vaccinated between 2010 and 2016. The great progress in vaccinations is an important contributor to the decrease in under-fives mortality from 52 deaths per 1 000 live births in 2010 to 41 in 2016.

The EU has continued to play a leading role in ensuring women's access to health and family planning services around the world. Sexual and Reproductive Health and Rights (SRHR) are an integral part of our bilateral health programmes and our commitments to gender equality. The Commission also supported the United Nations Population Fund (UNFPA) to increase the availability of quality reproductive health services, contraceptives, condoms and maternal health medicines through the strengthening of national capacity and systems, including the in-country supply chain. The programme benefits 46 mainly low-income countries.

By the end of 2017, Horizon 2020 had supported 104 research projects in the area of poverty related and neglected infectious diseases for EUR 431 million. In addition, under EDCTP and EDCTP2 31 calls for proposals were launched resulting in 125 project grants accelerating the development of medical interventions in this area with a total estimated value of EUR 263.71 million. These included 35 multi-centre clinical research grants with a total estimated value of EUR 223 million. Sustained investment in clinical research capacity in sub-Saharan Africa remains a central priority for the EDCTP including preparedness for (re-)emerging epidemics. To date, 58 individual fellowships (39 male and 19 female African fellows) have been funded to promote scientific excellence and leadership, an Alumni Network platform was launched and renewed funding for four regional networks of excellence focused on research capacity development was provided. EDCTP continued to fund projects to strengthen ethics reviews and the regulatory framework for conducting clinical research, for which an additional eight grants were recently awarded.

Renewed emphasis is placed on the cultural dimension of development and international cooperation following the adoption of the European Council Conclusions of May 2017 on an 'EU Strategic Approach to International Cultural Relations'. The new European Consensus on Development recognised the role of culture as an important component and enabler to facilitate social inclusion, freedom of expression, identity building, civil empowerment and conflict prevention and to strengthen economic growth.

The EU adopted a number of programmes during the year to implement this new vision. The programme 'Investing in Culture and Creativity' aims to improve cultural governance in partner countries; stimulate job-creation and reinforce cultural heritage. The creative industries and cultural sector programme for African, Caribbean and African countries (ACP Cultures+) ended in 2017. Overall the programme reached 422 308 young people, impacted the regulatory framework of 17 ACP countries, trained 8 062 people and reached via social networks more than 20 million people.

The EU continued to implement the EU-Eastern Partnership Culture and Creativity Programme II, aiming to support the cultural and creative sectors' contribution to sustainable humanitarian, social and economic development in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

In 2017 ten third countries participated in Creative Europe, the EU programme financing transnational cooperation projects in the cultural and audiovisual sectors. Cultural and audiovisual organisations from these countries have been involved in 174 Creative Europe grants: 106 projects involving Western Balkan countries, 15 projects in Eastern Partnership countries, and 53 projects in

Norway and Iceland. In May 2017 an agreement was signed with Tunisia for participation in Creative Europe.

1.3.5. Food and Nutrition Security and Sustainable Agriculture

Following a few years showing improvements in reducing global hunger, food and nutrition insecurity was again on the rise as the year began with an additional 38 million people suffering from hunger. Today, about one in nine people suffer from food and nutrition insecurity. Challenges such as conflicts, climate change, environmental degradation, and economic slowdown contribute to hinder people from accessing affordable, sufficient, safe and nutritious food, with the poorest countries being the hardest hit. Chronic child malnutrition, or stunting, has been declining although one in four children under five years of age are still affected. The SDGs, and in particular SDG 2, seek to renew momentum and rally countries around targets to 'end hunger, achieve food security and improve nutrition and promote sustainable agriculture' by 2030. Hand in hand with the SDGs, the new Consensus for Development underlines the EU's commitment systematically to integrate resilience and gender equality in its policies and programmes.

At the 2016 World Humanitarian Summit in Istanbul, the EU helped to spearhead an initiative to develop the Global Network against Food Crises. Together with the Food and Agriculture Organisation (FAO) and World Food Programme (WFP), the EU helped galvanise support and attract additional partners to produce the Global Report on Food Crises, which is considered to be the reference document on the subject. Released in March 2017, the report demonstrated *inter alia* the need for analysis of the main drivers of food insecurity and for efforts to tackle the challenges indicating that nearly 108 million people would be in a food crisis or emergency situation. Consequently, joint work on strategic responses from the Commission and its partners has been catalysed. In 2017 those efforts resulted in targeted thematic and bilateral support, especially to address fragile and emergency contexts in countries including Somalia, South Sudan, Yemen, Syria, the Central African Republic and Nigeria, with EUR 140 million allocated in synergy with EUR 750 million to help avoid famines in four countries considered at risk: Somalia, South Sudan, Yemen, and Nigeria.

In August, the EU published its second progress report on the implementation of the Action Plan on Nutrition. Throughout several initiatives and programmes, the EU demonstrated that it is dedicated to help reduce the number of stunted children under the age of five by at least seven million by 2025, with a EUR 3.5 billion allocation over 2014-2020. The Commission's Food Fortification Advisory Services (FFAS) supports the strengthening of institutional and technical capacities regarding food fortification. Technical support has been provided to carry out research in relation to food/biofortification in Chad, Democratic Republic of the Congo, Ethiopia, The Gambia, Kenya, Madagascar, Niger and Sudan. 2017 also saw the start of the implementation phase of the National Platforms for Nutrition (NIPN), which strengthens country level information systems for nutrition to make better informed strategic decisions to prevent malnutrition and its consequences. In this context, the NIPN was officially launched in Guatemala, Niger, Bangladesh, Burkina Faso, Côte d'Ivoire, Ethiopia, Kenya, Laos and Uganda.

Towards the end of the year, the EU held a Strategic Dialogue on its partnership with the FAO. Emphasis on collaboration between the two partners focuses on agricultural investments and

sustainable value chains, resilience and food crises, climate change and natural resource management as well as nutrition and sustainable food systems. With EU financial support, the FAO has worked on the ground, for instance in Yemen, to help 150 000 people improve food production and nutrition.

Models were developed on micro-level impacts and national level impacts of selected national agri-food policies and EU cooperation programmes on food security, poverty alleviation and welfare in Sub Saharan Africa (SSA) countries. Related to the above modelling studies, eight trainings were organised in 2017, involving around 60 participants, in Niger, Ivory Coast, Senegal, Ethiopia, Kenya, and Tanzania. These countries are considered strategic for the EU in terms of agri-economic development and food and nutrition security. Furthermore, in view of analysing the impact of relevant CAP Scenarios on SSA countries' farming sector, the micro and macro approaches started to be integrated. The 'Country fiches' an interactive web dashboard for depicting the profile of developing countries under agro-economic, macro-economic and food and nutrition security perspectives, was launched in 2017. As a contribution to the 'Global Report on Food Crises 2017', methodologies were developed for analysing the situation in the food crisis hot spot areas described by the report. The 'Anomaly hotspots of Agricultural Production' (ASAP), a decision support system for early detection for food crises prevention and response planning was launched in 2017. Commission services also explored the potential use of the 'minimum dietary diversity-women' (MDD-W) in programmatic action. The MDD-W is a global indicator to monitor nutrition-sensitive actions and programmes aimed at improving the diet of women of reproductive age. In addition, support has been provided to EU Delegations to integrate the indicator in the Monitoring and Evaluation Framework of projects and programmes on the Agriculture and Food and Nutrition Security sector. Innovative Earth Observation data provided by COPERNICUS were used for monitoring the performance of large-scale land investments in remote areas of Ethiopia as part of the EU's support to the implementation of the Voluntary Guidelines on the Responsible Governance of Tenure on Land (VGGT). Continued support was provided to the Global Soil Partnership by promoting soil awareness measures in the Asian Soil Partnership, Near East and North African Soil Partnership, and Central Asian Soil Partnership through the development of the Soil Atlas of Asia. A session was organised as part of the 2017 EDDs, focusing on the implementation of sustainable soil management practices and climate smart agriculture in Africa. In December 2017, the implementation of the MEKROU project for the establishment of a Transboundary Cooperation Framework and an Integrated Water Resource Strategy for green growth in the Mekrou River basin was completed with the organisation of four technical workshops and the implementation of the E-WATER software.

1.4. PLANET - Protecting the environment, managing natural resources and tackling climate change

1.4.1. Climate Change

Climate change continues to be one of the major threats affecting global sustainable development efforts. The new European Consensus on Development underlines the EU's commitment to contribute to the global fight against climate change in line with the Paris Agreement and SDG 13.

The EU sees global partnerships and increased cooperation as essential to advancing the Union's strategic interests and to tackling global challenges. The EU is backing up its political commitment with concrete actions: cooperating more closely with major economies to implement the 2015 Paris Agreement on Climate Change and environment-friendly practices more broadly.

Through the European Consensus on Development, the EU has committed to increase its efforts to build resilience and adaptability to change, consistent with the Sendai Framework for Disaster Risk Reduction. In 2017, the Caribbean region was struck by several intense hurricanes – illustrating the important devastating impacts that more frequent extreme weather events can have on countries, their people, their economies and their resources. It is therefore critical to broadly integrate disaster risk reduction into development strategies. Besides such calamities, climate change also has adverse effects through slow-onset events, such as progressive changes in rainfall and temperature patterns. It also impacts natural resources (water, soil, vegetation), which remain the main basis for economic activity in many partner countries. Beyond adapting to this challenge, it is also crucial that EU external action supports the shift towards a low-emission, climate-resilient, green economy, consistent with SDG 8 on growth and SDG 12 on sustainable consumption and production. Mitigation efforts benefit from EU funding in a varied set of sectors across the SDGs: principally in energy, agriculture and forestry, transport and urban development.

All Parties to the Paris Agreement have prepared their Intended Nationally Determined Contributions (INDCs), indicating their expected input to the global effort to reduce emissions. INDCs also include strategies to adapt to climate change impacts and to reduce climate-related risks. Support to INDC implementation – translating these intended efforts into strategies, plans and actions - is now central to the EU external action investments in the climate sector.

At the global level, the EU continues to sustain the INDC Support programme implemented by UNDP. The majority of beneficiary countries (over 40) are still in their INDC preparation phase and undertake activities related to monitoring of INDC implementation, databases of emissions-, institutional framework, allocation of national targets to sectors and, last but not least, how to better link sub-national and private sector climate actions.

In 2017, INDC Regional Dialogues continued in Latin America (Ecuador), Africa (Morocco) and Central Asia and Eastern countries (Turkey).

In the countries covered by the enlargement and neighbourhood policies, support continued through regional and bilateral assistance on the implementation of the Paris Agreement and their commitments, including through capacity building and promotion of reforms related to energy efficiency. Moreover, these countries are progressing in their alignment to the Energy Union and its climate policies, which includes reforms fostering renewable energy.

Adaptation is the climate top priority for most developing countries, in particular for the Small Island Developing States (SIDS) and the Least Developed Countries (LDCs). In this regard, the Global Climate Change Alliance (GCCA+) EU flagship initiative has continued to focus on SIDS and LDCs as priority beneficiaries. While also supporting INDC implementation, thus also covering mitigation actions, its main efforts have continued to target adaptation and disaster risk reduction. As main donor, the EU also supported the Global Framework for Disaster Risk Reduction, an important global initiative that, through carrying out Post-Disaster Needs Assessments (PDNAs), contributed to deliver support to the Caribbean just a few days after the hurricanes struck.

The EU continues to provide a larger share of its climate finance to adaptation, accurately reflecting the priorities set by partner countries. In the 2014-2016 period, the biggest share of EU climate funding went to adaptation actions (41 %), followed by synergy actions addressing both adaptation and mitigation (31 %) and by mitigation actions (28 %).

1.4.2. Environment and sustainable management of natural resources

With the growth of world population, rapid urbanisation, and unsustainable production and consumption patterns leading to the depletion of natural resources, the need to invest in protecting the environment is very clear. Natural capital, including productive land, water resources, forests, fish stocks and biodiversity are the backbone of many of our partner countries' economies and contribute enormously to peoples' livelihoods. They are key enablers to deliver on the EU's other external goals and policies.

This is reflected in the 2030 Agenda for Sustainable Development, which is calling for enhanced efforts to protect global environmental public goods and support the transition to a low carbon, pollution-free, resource efficient, green economy. The EU is also committed to help stop global biodiversity loss by 2020. To achieve these objectives, the EU works on different fronts: at global level by supporting multilateral environmental agreements; at national level by encouraging policy changes and the transformation to greener economies in partner countries; and by mainstreaming environment into all actions.

For example, the EU engaged and took strong commitments at the third session of the United Nations Environment Assembly convened in Nairobi in December under the overarching theme 'Towards a pollution-free planet'. The EU has also been particularly active in protecting oceans with participation at the UN Oceans Conference for the implementation of SDG 14 in June 2017 in New York and the organisation of the 'Our Oceans' Conference in Valletta in October 2017.

The EU supported the efforts of partner countries to integrate environment and climate change in their policies, plans and budget, notably through the UN Poverty and Environment Initiative and the Global Climate Change Alliance. Since 2016, in line with the new European Consensus and the Paris Agreement, the EU has also enhanced its efforts to integrate environment and climate change more systematically across all EU financing instruments and programmes.

Environment and sustainable management of natural resources has remained a priority in both the Neighbourhood South and East, as clearly framed and reiterated in the Union for Mediterranean and the Eastern Partnership. Complementary to EU continued support on, among others, water resources management, depollution and transboundary cooperation, a shift in EU action to support further circular, low carbon and resource efficient economies has been confirmed. This has been notably characterised by further integration of various bilateral, regional (such as EU4Environment) and multilateral approaches as well as new investments possibilities, such as through the EU External Investment Plan.

With the livelihood of 1.6 billion people are dependent on forests, the EU is also active in sustainable forest management. Progress has been made in implementing the EU Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT). Voluntary Partnership Agreement (VPA) negotiations have been concluded with Honduras and with Guyana, leading to better forest governance and

management. Beyond illegal logging, other drivers of deforestation have been addressed, with ongoing programmes focusing on reducing emissions from deforestation and forest degradation (Reducing emissions from deforestation and forest degradation - REDD+). In 2017, the EU also successfully led the facilitation of the Congo Basin Forest Partnership.

As shown in SDG 15 on terrestrial ecosystems, forest and biodiversity are two major resources under threat that need to be protected for their intrinsic value, as well as for the enormous opportunities they represent for sustainable development. There is also a close link between wildlife protection and stability and development. The EU action plan against Wildlife Trafficking has been implemented and several new projects adopted, including an action related to 'Law enforcement and combatting wildlife and forest crime'.

Water being crucial for development but also for stability, EU actions have aimed to improve trans-boundary water management and water security. The EU has also supported policy dialogue on the energy, water and food security nexus between riparian countries in Africa, Central Asia, Latin America and the Neighbourhood region and is encouraging investment in multipurpose infrastructures, fully consistent with SDG 6 on water and sanitation.

Today we are seeing unprecedented land degradation and the loss of arable land at 30 to 35 times the historical pace. In this context, the EU took an active political role at the 13th Conference of the Parties to the United Nations Convention to Combat Desertification (UNCCD COP 13). Several initiatives for instance on scaling-up sustainable land management, particularly through evergreen agriculture, were launched in 2017 in support of the UNCCD agenda and of the Great Green Wall Initiative. The EU is also an active supporter of the Global Soil Partnership and its Intergovernmental Technical Panel on Soils, hosted by the Food and Agriculture Organisation.

The EU has also been engaged in supporting the transition to green and circular economy with the promotion of Sustainable Consumption and Production practices through the SWITCH to Green initiative, that is delivering economic benefits, including financial savings by firms adopting more efficient production processes, and environmental benefits, including reduced energy consumption and associated greenhouse gas emissions.

1.4.3. Sustainable Energy

The importance of sustainable energy is reflected in the 2030 Agenda for Sustainable Development and in SDG 7: ensure access to affordable, reliable, sustainable and modern energy for all by 2030. Increasing sustainable energy services offers the opportunity to address poverty, create additional jobs, allow for better education, reduce pollution, improve human health and preserve ecosystems while contributing to climate change mitigation and fighting root causes of irregular migration. A Staff Working Document (SWD) on 'Empowering Development'²⁹ was issued in December 2017, delineating how energy cooperation contributes to the implementation of the new European Consensus on Development.

With energy demand in developing countries rapidly increasing due to the fast population growth, traditional development aid in the form of grants is insufficient to meet the objectives of 2030 Agenda and SDG 7 of universal access to sustainable energy: it is therefore fundamental to stimulate

²⁹ SWD(2017) 482 final, 15.12.2017

private sector investments in the sustainable energy sector. The EU is a pioneer in this regard with its blending instruments, such as the Electrification Financing Initiative (ElectriFI) and the EU External Investment Plan (EIP).

At the end of 2017 Zambia, Benin, Ivory Coast and Nigeria had allocated a total of EUR 85 million from their respective National Indicative Programmes to ElectriFI. While the implementation phase is at an early stage, it is expected that the projects will provide connection to electricity to 452 000 new household, generate an additional capacity of 88 MW of new renewable energy, and reduce emissions by approximately 200 000 tons of CO₂ equivalent per year.

Three ElectriFI projects have been launched: Sigora in Haiti, Mera Gao Power in India, and Azuri in Kenya. In 2017, Sigora Haiti connected 3 420 households to renewable energy in the remote northern part of the country and is expected to connect up to 10 000 by the end of 2018. ElectriFI invested USD one million in the Mera Gao Project, which will support the provision of energy to 55 000 additional households. ElectriFI's involvement in Azuri commenced during 2017 and is expected to contribute to providing electricity access to 125 000 people.

The EIP was launched in 2017 and has a specific investment window on 'sustainable energy and connectivity'.

The EU has a strong partnership with Africa, reflected through the Africa-EU Energy Partnership (AEEP), which celebrated 10 years of existence in 2017. The AEEP is a platform for dialogue between Africa and the EU to set political priorities and exchange experiences. The EU launched its 'Energise Africa' strategy in 2017. This consists of three main initiatives. The first is EU support to the Africa-owned and led African Renewable Energy Initiative (AREI). 19 projects with an estimated EU support of EUR 315 million have already been endorsed by the AREI Board, which is expected to leverage total investments amounting to EUR 3.9 billion, adding 1.8 GW of renewable energy generation that will cover the needs of some 1.3 million families. The second is the Africa-EU High-Level Public-Private Platform on sustainable energy investments. The high-level platform will build on the outcome of the successful EU Africa Business Forum (EABF) in November 2017, where African and European public and private sector leaders met to shape the path towards a more investment friendly African sustainable energy sector. The third initiative is the AU-EU Partnership on Research and Innovation, which aims offers a long-term cooperation framework on climate change and sustainable energy with three phases, from capacity building, research cooperation to commercialisation of research results.

Through the initiative 'Women & Sustainable Energy' launched in 2017, the EU has supported three projects with a contribution of EUR 18.1 million to promote women entrepreneurship in the energy sector, in nine countries in Africa.

African local authorities and cities have also been supported to promote clean energy and climate action, through the Covenant of Mayors Sub-Saharan Africa initiative (CoM SSA), an initiative that reached close to 100 signatory States by the end of 2017 with six cities getting support from the EU for local climate and energy action in 2017.

In 2017, with funding from the Partnership Instrument, the European Commission widened its engagement in the Global and Regional Covenants of Mayors³⁰ that aims at mobilising climate and

³⁰ <https://www.globalcovenantofmayors.org/>

energy actions by cities and local governments. It supports various regions (Eastern and Southern Neighbourhood, North and South America, South and East Asia) to implement the initiative, providing capacity building and validation of cities' energy and action plans (through the Joint Research Centre), and through in-kind contributions to the Global Covenant Secretariat.

Energy is also a major focus of EU co-operation with its neighbours, with a focus on regulatory and market reforms, promoting the use of renewable energies, energy efficiency and enhanced electricity and gas interconnections. This is the case in the Energy Community, where the EU is helping to create a regional energy market in line with EU regulatory standards. In the Southern Neighbourhood, the process of establishment of a Euro-Mediterranean market for electricity and gas is ongoing, and in the Eastern Neighbourhood, the EU4Energy project offers support for reforms in the energy sector. These are all designed to create a favourable environment for investments in renewable energies, energy efficiency and interconnections. In particular, EU support helps create the regulatory framework for renewable power to be traded across borders.

In addition, the EU is actively engaged with strategic partners, including China, India, the Gulf Countries Council (GCC) states and Japan, through dissemination of best practices and experience towards energy transition and energy efficiency. In particular, the EU uses its leading industrial expertise in clean energy and energy efficiency to show case best technologies available and thus contribute to the economic diplomacy efforts of the EU. In particular, in 2017, workshops and study tours were organised on offshore wind, smart grids and integration of renewable energy, biofuels, and energy efficiency in buildings for the India public and private sectors. Several business to business and business to government meetings were organised in Mexico, Brazil, Japan, South Korea and other countries to promote green technologies across the world, including energy efficiency and clean energies.

1.5. PROSPERITY - Inclusive and sustainable growth and jobs

1.5.1. Poverty and inequality

In 2017 Commission services launched a research facility to analyse inequality. Preliminary results indicate that within developing countries, the level of income inequality is high and, on average, higher than 30 years ago. This average hides a wide variety of trajectories, as income inequality appears to have decreased in some countries of Latin America (Brazil, Peru, Mexico), while it has increased in some Asian countries (China and Vietnam); yet the upward rise in the overall average is undisputed and a major source of concern internationally as reflected in the 2030 Agenda with SDG 10 on reduced inequalities.

Latin America, and Sub-Saharan Africa are the most unequal regions in the world. Latin America has been the most successful worldwide in reducing inequality in recent times. However, progress in shared prosperity (measured as income growth of people in the bottom 40 per cent of the income distribution) has decreased, and inequality reduction has stagnated since 2010, as a consequence of the global financial crisis and the end of the commodity boom. The Gini coefficient in Latin America still remains at high levels – out of the 10 most unequal countries in the world, seven are Latin American countries (Brazil, Chile, Colombia, Costa Rica, Honduras, Mexico and Panama), with Gini indexes in excess of or close to 50.

Sub-Saharan Africa encompasses 10 out of the 19 most unequal countries globally. Between 1990 and 2011, 17 countries (predominantly agricultural economies from West Africa and a few from other regions) experienced declining inequality, whereas 12 countries, predominantly in Southern and Central Africa and economies characterised by important oil and mining sectors, recorded an inequality rise.

The variation between countries explains more than two thirds of the total global variance in the Gini coefficient. The international development agenda and related global initiatives on tax transparency and compliance, trade, technology transfer and the environment aim, amongst other things, to reduce inequalities between countries. However, the primary focus of most development policies and programmes is at the country level.

Inequality at the national level remains an important obstacle to fast growth and poverty reduction. Data suggests that income inequality measured by the Gini coefficient spans a wide range in developing countries with values from 0.25 to 0.63. Data aggregated by region indicates that income inequality is highest in Sub-Saharan countries, followed by Latin American and Caribbean countries.

The European Consensus on Development recognises the importance of addressing inequalities, calling for the EU and its Member States to 'act to reduce inequality of outcomes and promote equal opportunities for all, [... to] directly assist the poorest and most vulnerable sections of society and [...] to promote more inclusive, sustainable growth that does not compromise the ability of future generations to meet their needs'. The Consensus also calls the EU and its Member States to 'assess the determinants of and trends in economic and social inequalities and [to] strengthen their tools and approaches to make them more effective in addressing inequality'.

The reduction of inequality explicitly appears in the 2030 Agenda for Sustainable Development in SDG 10 - Reduce inequality within and among countries: in particular, aside from the targets related to the inclusion of the most vulnerable, a target is set to 'progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average'. The SDGs also highlight the interlinkages between inequality and other dimensions throughout other goals and targets, namely with: poverty and growth (SDGs 1, 8, 9); gender equality and inclusion (SDG 5); environmental sustainability (SDGs 6, 7, 11-15, 17); health, nutrition and education (SDGs 2, 3, 4); and conflict and access to justice (SDG 16).

Extreme poverty continues to shrink worldwide, but remains widespread in Africa, especially Sub-Saharan Africa. In 2013, 767 million people were estimated to have been living below the international poverty line³¹. This corresponds to 10.7 % of the global population, down by 1.7 % from the 2012 headcount ratio and a decline of around 14 % in the global poverty population. The substantial decline is mostly due to the lower number of the extreme poor in East Asia and Pacific (71 million fewer) and South Asia (37 million fewer), while the number in Sub-Saharan Africa fell by only four million (1.6 %).

1.5.2. Working with the private sector, investments, business environments and responsible behaviour

In line with the objectives of the EIP, the EU continued working with the private sector both in Sub-Saharan Africa and in the EU Neighbourhood. In Africa it has been implementing a new Private

³¹ USD 1.90 per person per day

Sector Engagement approach to collaborate with the business community for the achievement of the Sustainable Development Agenda in line with SDG 17 (Partnerships for the goals).

Sustainable and inclusive development, which includes both European and local business in partner countries, has been promoted. . In the context of SDG 8 (Decent work and economic growth) and SDG 9 (Industry, innovation and infrastructure), the Commission is working on the concept of Sustainable Business for Africa (SB4A) platform, linked to the EIP and beyond, to create a conducive platform where private sector stakeholders are able to identify investment constraints. SB4A will operate at global, country and sectorial level and will be the umbrella framework under which public-private dialogue takes place, either for existing dialogue structures (such as existing EU-Africa Business Forum or European Business Fora at country level), or by setting up new ones where needed. EU Delegations have a key role to play in this regard by facilitating the dialogue between the private sector and the government at local level.

In relation to trade, in November 2017, the Commission adopted a Communication on 'Achieving Prosperity through Trade and Investment'³², which updated the joint EU Aid For Trade Strategy. The Council endorsed the updated Strategy in its conclusions in December 2017. The updated strategy builds on 10 years of EU Aid for Trade interventions, and operationalises the revised European Consensus for Development, which calls for activating cross-cutting drivers with transformative potential such as trade and investment. It is also in line with the EU Global Strategy for the EU's Foreign and Security policy, as Aid for Trade will seek to encourage a more strategic mobilisation of the various policy instruments at EU's disposal. The updated Strategy seeks to encourage a more coherent mobilisation of EU Aid for Trade with a view to helping developing countries to take full developmental advantage from various EU policy instruments, notably EU trade agreements (including Economic Partnership Agreements (EPAs)) and unilateral trade preference schemes (the Generalised Scheme of Preferences).

In relation to trade, the EU adopted a new Aid for Trade strategy in November 2017 on 'Helping developing countries to achieve prosperity through trade and investment'. It builds on 10 years of EU Aid for Trade interventions, and operationalises the revised European Consensus for Development, which calls for activating cross-cutting drivers with transformative potential such as trade and investment. It is also in line with the EU Global Strategy for the EU's Foreign and Security policy, as Aid for Trade will seek to encourage a more strategic mobilisation of the various policy instruments at EU's disposal. The EU trade agreements/unilateral trade preferences with developing countries, will notably assist these countries to fully benefit from these new development instruments.

The EU has also launched a Structural Reform Facility to contribute towards the development of sustainable and equitable economic growth models in the Eastern Partnership (EaP) countries, which can generate more investments and improve socio-economic conditions and employment opportunities for citizens. To this end, the Facility will support the design and implementation of structural reforms in the following areas: business and investment climate and financial infrastructure; human capital, including labour market and social protection; and economic governance and sustainability of public finances.

³² COM(2017) 667 final, 13.11.2017

This will be done by leveraging the unique technical expertise of International Financial Institutions and International Organisations, which will also better align policy messages to beneficiaries, facilitating engagement in a coherent and coordinated policy dialogue in view of supporting the implementation of structural reforms in the region. In so doing, the Facility will also contribute to Pillar 3 of the EIP supporting the improvement of economic policy, business and the institutional environment in EIP countries, which are critical factors to ensure that investment under the EIP can materialise.

Both the 5th AU EU Summit and the 6th EU-Africa Business Forum in November 2017 have acknowledged the critical role that agri-food and agribusiness can play for growth and jobs, and therefore the need to strengthen AU-EU agriculture business relations through an AU-EU Agribusiness platform. The Platform will work within the overarching framework of the SB4A and, in line with some African countries' specific Jobs and Growth Compacts. It will aim to step up the already existing dialogue with the private sector via the EU Delegations, the National Chambers of Commerce, the European Business Organisations and the local private sectors actors.

In the Southern Neighbourhood the EU is currently implementing and has planned to start regional programmes covering several areas including technical assistance and capacity building with the IMF on public finance, banking supervision, macroeconomic statistics (METAC); investment legislation and investment promotion agencies with the OECD; business environment and financial sector reforms (ongoing call for tender); and, capacity building in sectoral reforms on energy efficiency and renewable energy in the context of the Union for the Mediterranean (UfM).

1.5.3. Agricultural growth

Sustainable agricultural growth, together with sustainable fisheries and aquaculture, remains a key driver for poverty eradication and it is indispensable to ending hunger and ensuring food and nutrition security, the two main SDGs of the 2030 Agenda. Two-thirds of the world's poor depend on agriculture for their livelihoods and many developing countries remain highly dependent on trade in a few commodities. Support to smallholders, including pastoralists, remains of central importance, contributing substantially to food security, to the fight against soil erosion and biodiversity and water loss, while providing sustainable and decent jobs.

Working with the private sector to end hunger is important. Together with the launch of several programmes under the Agriculture Financing Initiative (AgriFI), the launch of the European External Investment Plan in the autumn has provided a dedicated investment window for sustainable agriculture, rural entrepreneurs and agri-business. Through this, the EU will help to build capacities to access markets, and support partnership frameworks and foster Africa-EU business fora, all aimed at promoting agricultural growth. Young farmers and smallholders will primarily benefit from EU support. Investments in the smallholder sector yield the best returns in terms of poverty reduction and growth. For this reason, EU support in this area focuses on inclusive value chains that can leverage private investment and generate sustainable growth and new jobs. For example, this year the EU supported a value chain analysis of the green bean sector in Kenya, which showed that investing in green bean production generates income and cash flow, supporting the livelihoods of about 52 000 smallholder farmers. Earlier in the year, the EU also supported analysis of the cassava value chain in Côte d'Ivoire and launched further initiatives.

Sustainable agriculture does not just make sense for improving food and nutrition security: the EU also considers its impact on climate change, thus also contributing to SDG 13 (Climate action). Analysis of the EU's support to food and nutrition security and sustainable agriculture shows that the share of climate-relevant actions jumped from 13 % in 2007 to 47 % in 2016. This rising trend demonstrates the EU is more than stepping up to its commitment to allocate at least 20 % of the budget to this area. Support was also provided to put research into use at scale in sustainable agricultural systems, with large potential impacts on nutrition and resilience. On top of this, the EU has sought to address threats posed by pests in the agricultural sector. Pests, such as the Fall Armyworm, are spreading rapidly across Africa and cause extensive damage to staple cereals. Aside from economic losses, food security is also in peril. To combat this, the EU is kick-starting a programme that seeks to enhance through research support the resilience of smallholder maize farmers in eastern Africa through enhanced preparedness and eco-friendly management of the invasive Fall Armyworm.

The EU is presently supporting land governance actions in about 40 countries with a total budget of almost EUR 240 million. In Africa, the EU mainly contributed to secure land rights to increase the food and nutrition security of small-farmers and enable a peaceful environment for sustainable investments. In Malawi, Angola and Namibia for example, the EU consistently contributed to map and register land rights, especially in areas where informal land prevails and focusing mainly on women. In Namibia, 40 % of land titles issued with EU financial support have been registered in the name of women. In Peru and Honduras, the EU funded actions to respect and protect the land rights of indigenous peoples help tackle and/or prevent land disputes but also secures the basic assets for these populations.

1.5.4. Infrastructure, cities and ICT

Infrastructure

In a context where the global demand/supply gap of transport infrastructure and transport modes is a bottleneck for strong, sustainable and inclusive growth, the EU continued to support quality infrastructure delivery and investments through the EU investment facilities. Accompanying governance reforms were encouraged in the move towards an integrated multi-modal corridor approaches to boost connectivity.

The EU ensured the coordination of the Joint Africa-EU infrastructure (JAES) agenda and engaged in the Board of the Africa Transport Policy Programme, which is of relevance for policy and strategy support to African Governments and Regional Economic Communities.

As part of the climate change agenda, the promotion of urban mobility solutions aiming at the decarbonisation of transport culminated in EU's partnering and financially contributing to the 'Mobilise Your City' flagship launched by France and Germany at the COP21. Commission services actively participated at the COP23 discussions in Bonn in November 2017.

In support to the United Nations 2030 Agenda, the International Telecommunications Union (ITU) has set out Global ICT Strategic Goals for telecommunications and Internet access worldwide. To improve ICT infrastructure for Internet and broadband access, evidence is needed on network coverage and quality of connections. Most public bodies lack resources to collect such statistics at

the national level. The NetBravo mobile app enables users to monitor their mobile network coverage and quality of internet connection. Information from all users is aggregated and made available on a website (netbravo.eu) on an interactive map. This can help policy makers in analysing gaps and setting priorities for future investment in the ICT infrastructure at national, regional and local levels. The app was released for general use by AU citizens at the sixth EU-Africa Business Forum in Abidjan in November 2017. It is available in the official languages of the African Union. Through the GHSL (Global Human Settlement Layer), technical specifications have been developed for a potential Copernicus Human Settlement Service, an update of the European Settlement Map, and the support to the voluntary commitment by the OECD, WB and EU to develop a global, people-based definition of cities and settlements. The working group of EU, OECD and the WB have developed pilot studies in South Africa, Morocco and Brazil using the global GHSL grid.

Cities

Continued rapid urbanisation, particularly in Asia and Africa, pose major development challenges for affected countries and cities, including provision and financing of basic municipal infrastructure services, upgrading of slums, dealing with traffic congestion and improving environmental quality.

The Agenda 2030 with its SDG 11 on sustainable cities and communities, the New Urban Agenda³³ and the new EU Consensus for Development have set the scene for enhanced focus on cities and urbanisation. A Staff Working Document on cities and local authorities was finalised during the year.

In relation to programme implementation, the focus during the year has been on enhancing the impact of urban intervention, e.g. through various thematic facilities, such as Mobilise Your City (sustainable mobility), Resilient Cities, Participatory and Slum Upgrading.

The EU's International Urban Cooperation (IUC) programme³⁴ boosts international urban cooperation with EU partners in Asia and the Americas. With a budget of over EUR 20 million, the IUC effectively supports Habitat III goals as well as the Paris Agreement and the Agenda 2030 Sustainable Development Goals.

A critical development at the end of the year was the inclusion under the European External Investment Plan of a specific investment window for 'Sustainable Cities'. Adding to existing blending operations, this will further strengthen the EU support to attracting finance to underpin sustainable urbanisation.

Digitalisation

Operationalisation of digital actions envisaged in the Staff Working Document (SWD) on 'Digital4Development'³⁵ for the 2017 period included:

- i) the Multinational Trans-Saharan Backbone Optical Fibre Project will lay optical fibre cables to interconnect Algeria, Niger, Nigeria and Chad;
- ii) the Central Africa Backbone – Central African Republic Terrestrial Fibre ICT backbone project interconnecting countries of the Central African region;
- iii) the Cyber Resilience for Development, aiming to increase the security and resilience of critical information infrastructure and networks;

³³ <http://habitat3.org/wp-content/uploads/NUA-English.pdf>

³⁴ http://ec.europa.eu/regional_policy/sources/cooperate/international/pdf/iuc_leaflet_en.pdf

³⁵ SWD(2017) 157 final, 02.05.2017

- iv) iv) the Policy and Regulation Initiative for Digital Africa aiming to foster universally accessible and affordable broadband across the continent;
- v) Support to financial inclusion in ACP through the promotion of inclusive and responsible Digital Financial Services, aiming to deepen financial inclusion in ACP countries including by use of digital tools;
- vi) budget support to the digital strategy of Wallis and Futuna territory, aiming to open up Wallis and Futuna through digital channels and improve the socio-economic conditions of the population.

In 2017, several thematic units examined how best to reflect digitalisation in their respective sectors of competence (from governance to agriculture, energy, health, education etc.) to operationalise the SWD, with a focus on priority iv) 'digital as enabler for sustainable development'. More specifically in the area of e-governance, a mapping of readiness of African countries for deployment of e-governance solutions was launched in July 2017. Commission services also financed a Feasibility Study to assist the Kyrgyz Republic in implementation of the Taza Koom (Smart Nation) programme, aimed at improving the livelihood of the people of the country by the use of information and digital technologies.

Finally, the European EIP includes a Digital4Development investment window for the Neighbourhood and Africa. Operations envisioned include support to digitalised public services intended to increase the performance of public services towards citizens and business; venture capital funds, business angels and other non-institutional investors for the financing of digital innovative solutions; local operators in the field of Digital Payment Systems and Digital Financial Services as well as de-risking last mile connectivity.

1.6. PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

The 2030 Agenda was ground-breaking in incorporating in the global agreement SDG 16 on peaceful and inclusive societies, access to justice and accountable institutions. Nevertheless, achieving this goal requires increased attention.

1.6.1. Democracy, Human Rights and Good Governance

In the current context of shrinking civic and democratic space, the EU has reaffirmed its unconditional support to these values worldwide, while confirming its central role on international fora.

This commitment took shape under various forms including political and policy dialogue both at Headquarters' and EU delegation level, visibility and communication events, and outreach activities including those of the Special EU Representative for Human Rights Stavros Lambrinidis or through our financial support with our development cooperation or our dedicated European Instrument for Democracy and Human Rights (EIDHR) support.

In 2017, a Mid-Term Review (MTR) of external financial instruments was finalised, which included specific evaluations of the Development Cooperation Instrument (DCI), the EIDHR, the Instrument for Nuclear Safety Cooperation (INSC) and the IcSP. This MTR showed insufficient progress in mainstreaming democracy and human rights, including gender. The EIDHR instrument has overall proven to be 'fit for purpose': the mid-term review concluded that the EIDHR was and has remained enabling, flexible and responsive and thanks to its focus on the most pressing and emerging human rights and democracy challenges is more than ever relevant to the political priorities of the EU. As result, there was no need identified for major adjustments or corrective action.

Throughout the year, policy and methodological support were provided towards a rights-based approach that runs throughout the 2030 Agenda with its pledge to 'leave no one behind'. We have been working from various angles to progressively integrate the rights-based approach (RBA) into training and procedures. This includes: integrated RBA into programme and project cycle management training, the organisation of over 30 trainings in Headquarters and Delegations, briefings held with all thematic units, further integrated RBA guidance in the updated budget support guidelines and content on RBA on internet and intranet sites.

During 2017 the global EIDHR call for 2016 was finalised and contracts were signed in the areas of Human Rights Defenders (HRD) and Women, Torture & ill treatment, Business and Human Rights, Minorities, Impunity & transitional Justice. A new global call in 2017 was launched with the following lots: Land and environmental rights HRDs, extra-judicial killings and enforced disappearances, forced labour, persons with disability, and Freedom of Belief and Religion. We also finalised the call on political parties, the chosen projects aim at boosting women's participation and democratic pluralism in politics.

At Delegation level worldwide, all country allocations for 2016 were contracted and part of the 2017 allocations: a total of 371 contracts were signed.

During 2017 the implementation of the Democracy and Human Rights action plans continued with a first implementation report published by EEAS in July 2017.

The guidelines 'Beyond election day' were established in close collaboration with EEAS. Support to EU Delegations was provided via two facilities: Supporting Democracy and Media4Democracy, aiming to build capacity in the areas of democracy support and, respectively, freedom of expression. An EU4Democracy Campaign was also conducted in September 2017.

1.6.2. Fragility

Overall context and results

As indicated, the 2017 European Consensus on Development strengthens the fight against fragility in line with the 2030 Agenda, by putting a priority focus on resilience and sustainability and citing them as the 'global challenge and trends' in all areas of fragility in line with the 2030 Agenda. The priority areas "five Ps", People, Planet, Prosperity, Peace and Partnership, are development priorities compatible with the revised international framework defined for fragility by OECD³⁶ and also with

³⁶ See table 1.1 http://www.keepeek.com/Digital-Asset-Management/ocd/development/states-of-fragility-2016_9789264267213-en#.WK6zWP6QyUk

the JRC methodology for crisis or conflict risks. The 2017 'Communication on Resilience' has enabled, in line with this multi-dimensional aspect of fragility, to take into account the extended EU multi sectorial commitment on resilience.

Cross-cutting results

During 2017, work continued both on the refinement of the political background and on the substantive implementation.

Commission services contributed to the Global Strategy for the EU's Foreign and Security Policy in the reinforcement of the existing framework on resilience and tackling fragilities in four areas.

The resilience framework was reinforced with the approval in June of the New Resilience Communication with subsequent adoption in November of Council conclusions setting out the EU policy framework on resilience resting on four building blocks: joint assessment and planning, better monitoring of fragilities, integration in programming, and international cooperation.

The development of an Integrated Approach to external conflict and crises built upon the existing Comprehensive Approach and the experience gained in the implementation of its Action Plan 2016-2017 (adopted during 2016). Discussions were held on the development of the Integrated Approach with Member States at the Political and Security Committee in June 2017 and in December 2017.

The importance of resilience in conflict and crises affected areas was reinforced through the co-organisation by the Commission, the World Bank hosted Global Facility for Disaster Risk Reduction (GFDRR), and the UN of the 3rd edition of the World Reconstruction Conference under the theme 'Building Back Better' from 6 to 8 June 2017 in Brussels.

The International Dialogue for Peacebuilding and State building (IDPS) was supported, notably the 'New Deal initiative for the fragile countries' led by the fragile countries themselves, through a number of events and collegial results with other partners, leading to the adoption of the IDPS Strategy 2017-2020. In 2017 the EU has been nominated co-chair of the Implementation Working Group of the Dialogue, moreover the operationalising of the Dialogue tripartite methodology has begun at the country level, in particular through activities with Sierra Leone and Somalia.

From a more operational point of view

The annual crisis declaration or list, also known as the 'flexible procedure', which enables fragile countries to benefit from easier and faster procedures due to local difficult conditions, was adopted within the set deadline.

A pilot process was launched to test the broader nexus of humanitarian, development and diplomatic/security work in six pilot countries (Chad, Iraq, Myanmar, Nigeria, Sudan, Uganda) with processes for a shared assessment of fragilities, analysis of gaps and suggested actions, engagement with EU Member States, and other donor and partners. The pilot process advanced in most of the pilot countries in 2017.

The implementation continued of the 'Commission Action Plan for Resilience in Crisis Prone Countries' which include:

- Integration of resilience into programming and actions, and cooperation on the ground between the EU institutions and Member States.

- The publication of eight case studies on operationalising the strategic approach to resilience from which EU development practitioners and policy makers can take example; The Global Alliance for Resilience in the Sahel and West Africa (AGIR), Enabling resilient pathways out of poverty in Bangladesh, EU resilience building in Ethiopia (RESET), Drought Contingency Fund (DCF) in Kenya, Strengthening resilience to food and nutrition insecurity in Northern Mali, Pro-Resilience Action (PRO-ACT), Sector reform contraction on food and nutrition security and sustainable agriculture in Senegal and Supporting the Horn of Africa's resilience (SHARE).
- In some areas such as private sector development or innovative risk financing in vulnerable, fragile and conflict affected environments the work was just starting in the framework of the external investment plan.
- Launch of the State and Resilience Building Contracts as part of the EU Budget Support policy.

Sectoral results

Because more than 60 % of the Commission services commitments and expenditures in this area have been dedicated to fragile countries in 2017, this means that a significant proportion of results are related to the resilience of fragile countries in their weakest sectors to help them to overcome their specific fragilities.

The five dimensions of risks and related fragility are covered by Commission services through both thematic and geographic programming.

1.6.3. Crisis response and preparedness

The Instrument contributing to Stability and Peace (IcSP) is a key external relations instrument, primarily enabling the EU to react quickly with targeted actions in situations of crisis or emerging crises. The IcSP is the fourth largest of the eight budgetary instruments of the Union for financing external action. When defining and mobilising IcSP crisis response actions (with a maximum 18 months duration), the Commission's Service for Foreign Policy Instruments (FPI) works in close collaboration with the EEAS and other relevant EU institutions. Many of the measures adopted under this instrument are part of an overarching EU Integrated Approach to conflict and crisis response based on jointly developed strategic frameworks. 2017 witnessed the adoption of the Capacity Building for Security and Development (CBSD) amendment³⁷ to the IcSP, a major policy development allowing for engagement with military actors in pursuit of development aims. The CBSD is a vital new tool that will further strengthen the implementation of the EU Integrated Approach.

Crisis response measures adopted in 2017 included support related to all major ongoing crises worldwide, including activities in the 10 'least peaceful' countries of 2017 according to the Global Peace Index³⁸: Ukraine, Central African Republic, Sudan, Libya, Somalia, Yemen, South Sudan, Iraq, Afghanistan and Syria. The IcSP contributed also to accompanying peaceful political transitions, such as those in Kenya or The Gambia, to investing in conflict prevention and the consolidation of peace

³⁷ Regulation (EU) 2017/2306 of the European Parliament and of the Council of 12 December 2017

³⁸ Global Peace Index 2017, Institute for Economics and Peace

agreements, *inter alia* via continued support to the Colombian Peace Process, as well as initiatives related to the Kosovo-Serbia Dialogue, mediation initiatives in the Niger Delta region of Nigeria, between Tebou and Touareg communities in Niger and between Guatemala and Belize.

Furthermore, new actions in Afghanistan, Bosnia and Herzegovina, Kosovo³⁹, Libya, Niger and Somalia directly complement the work of Common Security and Defence Policy (CSDP) missions. Combined with ongoing programmes in the Central African Republic, Georgia, Mali and Ukraine, the IcSP directly complemented 12 of the 16 ongoing CSDP missions.

In addition to crisis response actions, the IcSP is also committed in activities supporting conflict prevention, peace building and crisis preparedness. To this end, the 2017 Annual Action Programme continued supporting civil society in third countries, the promotion of peace-building in particular in mineral-rich fragile areas and assisting third countries in their efforts to recover after a conflict or a disaster. New actions launched included support to third countries' justice processes during conflict and transition periods, promoting a gender-sensitive approach in the prevention of violent extremism and support to preventing and reducing the vulnerabilities of the education sector in crisis-situations.

In 2017, IcSP stepped up its efforts to promote the work of the instrument both at global and project level. The online map⁴⁰ remains the corner stone of the visibility efforts, including information about a total of 277 ongoing/recently ended IcSP projects as of January 2018.

The Commission has continued developing policy and the associated 'tool box' to strengthen the impact of our actions in fragile contexts in a conflict-sensitive manner. Following the adoption of the EU Global Strategy in 2016, a process for implementing the Integrated Approach to External Conflicts and Crises was discussed throughout 2017 with Member States in relevant Council bodies as well as in the Political and Security Committee. The Integrated Approach will succeed the Comprehensive Approach following the completion of the 2016-2017 Comprehensive Approach Action Plan. The objective of the Integrated Approach is to bring EU institutions and Member States closer, across policies and instruments to better promote human security and sustainable peace abroad. In this context, a number of actions were prioritised either under cross-cutting themes (shared analysis and conflict sensitivity, mediation and security sector reform) or in relation to EU's engagement in specific phases of the conflict cycle (conflict prevention, response to conflicts and crises, and stabilisation). The first principle of international engagement in fragile states and situations is to take the context as a starting point to develop a shared understanding of objectives to be pursued. The EU is continuously improving tools to that effect, including 'Conflict Analysis' and a conflict Early Warning System (cEWS) while also taking part in Recovery and Peace Building Assessments (RPBAs) and Post Disaster Needs Assessment (PDNAs) together with the United Nations and the World Bank. A 'Crisis Declaration' list procedure continued during 2017 while a series of seminars and trainings were organised on several issues, the highlights of which are summarized below:

a) **-Conflict analysis:** Six conflict analyses were organised in 2017; one of which was co-organised with the United Nations, and a Recovery and Peacebuilding Assessment was also concluded on the Northern and Eastern parts of Cameroon.

³⁹ This designation is without prejudice on status, and is in line with the UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

⁴⁰ <https://icspmap.eu/>

b) **Crisis Declaration:** To secure countries' preparedness, the EU supported the process of establishment of a list of "fragile" countries" or "countries in crisis" to benefit from specific procedural measures according to needs. The 2017 list included 54 countries.

c) **cEWS:** In August 2017, the Commission services and the Division for the Prevention of Conflicts, Rule of Law and SSR, Integrated Approach, Stabilisation and Mediation (PRISM) of the EEAS revised the Joint Staff Working Document on the EU Conflict Early Warning System adopted initially on 14 January 2016. This revision allowed movement from a bi-annual to an annual exercise thereby facilitating decision-making to transit more effectively from early warning to early action by focusing more on implementation and monitoring rather than on prioritisation. It also allowed for the creation of an informal network on Early Warning/Early Action to have a more structured conversation with EU Member States and institutions.

d) **Security-Development Nexus:** An informal technical seminar on the implementation of the 'Comprehensive Approach 2016-2017 Action Plan' took place in January with the participation of Member States' experts and relevant EU Institutions and Commission services. Lessons learnt during the event were used to inform and define the 'Integrated Approach to Conflicts and Crises' and how the latter will be implemented and reported upon.

e) **-Guidelines, staff development work for operating in situation of conflicts and fragility:** Several trainings were held to increase in-house knowledge and skills on fragility, resilience and conflict prevention in development assistance. An EU online course on conflict sensitivity was developed jointly with the European Investment Bank (EIB), Saferworld, Swisspeace and International Alert. About 200 people from EU institutions (EEAS and Commission services), EU Delegations, Member States, EU Agencies and EIB, were trained on conflict sensitivity, resilience, comprehensive approach, early warning systems, humanitarian and development nexus, RPBA/PDNAs or risk management during 2017.

f) Other activities include:

- Publication of the guidance on 'Operationalising the EU Strategic Approach to Resilience'
- EU online course on conflict sensitivity
- Pre-deployment training for EU staff deployed to EU Delegations in fragile and conflict-affected countries
- Participation in pre-deployment training of Common Security and Defence Policy (CSDP) staff.

Monitoring the Security Situation in Ukraine

Context

Since March 2014 there has been an ongoing armed conflict in the Donbass region of Ukraine. Throughout 2017, the Organisation for Security and Cooperation in Europe (OSCE) Special Monitoring Mission (SMM) supported by the Instrument contributing to Stability and Peace (IcSP) continued to operate with monitoring teams throughout Ukraine.

Objectives

- The SMM's role is to gather information and establish facts in relation to the security situation, monitor and support respect for human rights and fundamental freedoms and keep contact with authorities at all levels, as well as with civil society and local communities.
- The use of technical surveillance assets such as unmanned aerial vehicles (UAVs), surveillance cameras and satellite imagery/analysis has become even more important in conditions where security and freedom of movement restrictions limit ground patrols by monitoring teams.

Impact

- ✓ IcSP support, through the EU's SatCen, allowed for the delivery of 510 imagery products in support of SMM's monitoring efforts in 2017, including the identification and description of military activity and equipment, change detection, monitoring of contact line, training areas and rail stations as well as battle damage assessments.

Supporting stabilisation in Libya

Context

The EU has been supporting stabilisation actions in Libya since the beginning of the crisis focusing on rehabilitation of key infrastructure, humanitarian demining, and the building of a national consensus through mediation support. In addition, where no other funding was available to provide an adequate and timely response, the Instrument contributing to Stability and Peace (IcSP) has been mobilised to provide flexible support.

Objectives

- IcSP support has focused on mitigating the migration crisis inside Libya in line with the EU political priorities on the external dimension of migration.
- In particular, assistance to voluntary return of migrants trapped inside Libya was piloted through the IcSP before being incorporated and expanded under the EU Trust Fund.

Impact

- ✓ Results in 2017 included a decrease in tensions and prevention of armed violence in the cities of Sebha and Zintan, as well as increased exchanges between the Government of National Accord and communities throughout the country.
- ✓ IcSP funding allowed the Government of National Accord to advance with the rehabilitation of schools and hospitals, water supply, sewage and waste management systems.
- ✓ 22 projects throughout the country helped improve the delivery of basic services to conflict affected communities including in areas liberated from Da'esh.
- ✓ In addition, demining activities helped identify mine free areas, cleared contaminated sites, and increased risk awareness in the cities of Tripoli, Sirte and Benghazi.

1.6.4. Security, including global and regional trans-border challenges

2017 has once again demonstrated the key role of the European Commission in the field of security through the mobilisation of its financial instruments in support of third countries, active

participation in the definition of EU policy and adaptation of the EU's response capacity to various threats.

Commission services have continued to place a stronger emphasis on security in its Neighbourhood and beyond, building on a substantial cooperation portfolio from various financial instruments (mainly the ENI and IcSP), complemented with CFSP/CSDP and Enhanced Political Dialogues.

The Commission was an important contributor to the drafting of the Council Conclusions on the EU's external action on counter-terrorism, adopted on 19 June 2017⁴¹. The Conclusions call to further strengthen a network of counter-terrorism experts in EU Delegations, achieve greater coherence between internal and external actions in the field of security by strengthening the role of Justice and Home Affairs agencies with regard to third countries.

In addition, the Commission successfully negotiated with the Council and the Parliament the amendment to the IcSP legislation called Capacity Building for Security and Development (CBSD), which came into force on 16 December 2017. The amendment to the IcSP will allow for assisting military actors to perform development and human security-related tasks, under exceptional and clearly defined circumstances. The assistance provided through this amendment reduces risk of other EU actions and establishes a more comprehensive EU engagement. First support measures under the CBSD amendment are expected to materialize in the Central African Republic, Mali and Somalia.

Commission services have also mobilised their dedicated instruments to contribute to the different key sectors of the new European Consensus on Development, with a focus on Peace. Examples include support to the G5 Sahel Joint Force (EUR 50 million) through the African Peace Facility, and the launch of a project to combat terrorist financing in the Middle East and South-East Asia (AML/CFT, EUR 16 million) through Article 5 of the IcSP. The increased maturity of the established network of eight Chemical Biological Radiological and Nuclear (CBRN) Centres of Excellence and their network of 56 countries gave rise to more operational activities, table tops, testing and real time cross border exercises, for example, table top exercises in Central Asia which reinforce the standard operating procedures in case of theft of a radioactive source within hospitals.

EU action in the Enlargement Region remains focused on the 'fundamentals' including effective and rule-of-law compliant law enforcement and justice, and on peace-building and reconciliation.

1.6.5. Nuclear Safety

Through its multidimensional approach that touches on the interlinkages between nuclear safety, health, the environment, and related issues, the INSC programme contributes to various other key areas of the European Consensus on Development.

Some recent noteworthy achievements in this context are to be found in Central Asia, Iran and Turkey:

The Central Asian states have inherited one billion tons of hazardous processing waste: highly toxic chemical and radioactive residues left behind and unsafely stored in uranium legacy sites. The EU flagship programme for the remediation of the legacy sites is now mature for implementation, with

⁴¹<http://www.consilium.europa.eu/en/press/press-releases/2017/06/19/conclusions-counterterrorism/>

the completion of the necessary feasibility studies and environmental impact assessments. The European Bank for Reconstruction and Development (EBRD), upon request of the European Commission established in 2015 a dedicated multi-donor Environmental Remediation Fund. The European Commission organised in 2017 a very successful side event during the 72nd United Nations General Assembly in New York, opened by the Ministry of Foreign Affairs of Estonia on behalf of the EU Presidency. The President of the Kyrgyz Republic, three Foreign Ministers from Central Asia, The Minister of Emergency Situations of the Kyrgyz Republic and the EU Special Representative attended the event which created the momentum for a successful donor's conference to be held on 8 November 2018. The environmental remediation programme in Central Asia is closely interlinked with the goal of Climate Change Adaptation in its meaning of anticipating the adverse effects of climate change and taking appropriate action to prevent or minimise the damage this can cause or taking advantage of opportunities that may arise. The project supported by the INSC aims at preventing serious ecological and environmental risks (disasters) by remediating fragile and unsecure toxic tailings sites located next to rivers. The risk of serious incidents has increased over the last few years since these rivers are experiencing more spring flash floods due to rapidly melting glaciers in Central Asia. Climate change generates natural hazards including rain fall, landslides, and mudflows, that disperse toxic materials, if not properly remediated.

The INSC has been instrumental in putting the diplomatic agreement with Iran, the Joint Comprehensive Plan of Action (JCPOA), into practice, which is a milestone for international non-proliferation and a strong contribution to peace in the region. The first project supporting the Iranian Nuclear Regulatory Authority was kicked-off in July 2017 and is running smoothly in a very cooperative atmosphere. A second project supporting the implementation of the stress tests exercise at the Bushehr nuclear power plant has been contracted at the end of 2017 and will start in April 2018. A follow-up project has been agreed with Iran in 2017, in compliance with the EU commitment to the implementation of the JCPOA, and will be contracted in the second half of 2018.

Successful engagement with Turkey has been achieved in 2017 with the contracting of a project supporting capacity building for the nuclear regulatory authority in view of the Turkish decision to introduce nuclear in the national energy mix. Introducing nuclear energy into Turkey in a safe way is a technological and regulatory challenge. The support of the INSC in this context is central for ensuring a safe environment while providing economic benefits for the public.

The European Commission continues to implement the EU CBRN Centres of Excellence (CoE). During 2017, the needs assessment exercises and the development of CBRN National Actions Plans were continued, with a strong involvement and motivation of the partner countries. The implementation and preparation of capacity building projects, with now over 60 projects implemented or ongoing, was also continued in areas such as the fight against illegal traffic of falsified medicines and medical products (in the Eastern and Central Africa region), the sound management of chemicals and their associated wastes (in Southeast Asia), and the provision of specialised CBRN equipment for the training of personnel in charge of cross-border control (in North Africa and Sahel). An ESARDA safeguards and non-proliferation pilot course took place in Beijing in 2017. Around 80 participants from 18 Chinese Universities, nuclear industries as well as foreign students from the UK, South Africa and South East Asia attended the course. To define an additional project, a meeting with the Commission services' Chinese partners took place on 25-26 October 2017 in Beijing.

1.6.6. Actions under CSDP

There are currently 16 CSDP missions and operations. These consist of three executive military operations (Op SOPHIA/ Op ATALANTA and EUFOR ALTHEA) and three non-executive military training missions (EU Training Missions Central African Republic, Mali and Somalia). There is one executive civilian mission (EU Rule of Law Mission (EULEX) Kosovo), one civilian monitoring mission (EU Monitoring Mission (EUMM) Georgia), a confidence building measure (CBM) mission (European Union Integrated Border Management Assistance (EUBAM) Rafah), four capacity building missions (EU Police Mission for the Palestinian Territories (EUPOL COPPS), EU Capacity Building Missions (CAPs) Somalia, Mali and Niger and two advisory missions (EUAM Ukraine and EUAM Iraq). The oldest currently deployed CSDP engagement is EUFOR ALTHEA in Bosnia which was launched in 2004 and stood originally at 7 500 troops and which now fields 600. The newest is EUAM Iraq.

Most of the 16 CSDP Missions and Operations were reviewed during the report period and covered areas which aim to address the local situation and appropriateness, but also to tackle the security challenges outlined in the EU Global Strategy. Where appropriate, mandates and operational planning were re-calibrated to focus on new priorities agreed by Council and which include, amongst others: CBSD, cultural heritage, closer coordination between CSDP missions and EU Delegations as part of the Integrated Approach and closer ties between the internal and external nexus on security.

One new civilian CSDP mission was launched in Iraq in the autumn of 2017. EUAM Iraq provides advice and assistance in civilian aspects of security sector reform to the Iraqi authorities and will inform planning for potential further EU engagement as well as assist in the coordination of EU and Member State assistance in the civilian Security Sector domain. The Mission supports the implementation of the Iraqi National Security Strategy and the civilian aspects of Security Sector Reform work led by the Office of the National Security Advisor with particular focus on strategic advice to the Ministry of Interior on countering terrorism and organised crime. The Mission reached full operational capability in March 2018.

A continued effort has been made to draw together the impact of the several CSDP Missions and operations currently *in situ* in Africa. The regionalisation concept has been implemented in the Sahel region, the results from which are anticipated in the late Spring/ early summer through the 'Regional Implementation Plan possibly leading to further EU action supporting regional security cooperation in the Sahel. As outlined in the last annual report, regionalisation of the three CSDP missions in the Sahel (EUCAPs Sahel Mali and Niger and EUTM Mali) is in line with the emphasis in the Global Strategy on strengthening specific capacities for regional cross border cooperation within the G5 countries. This has now been complemented with work to enhance the G5 Joint Force through training and coordination support. The three CSDP Missions in the Sahel will however continue to remain mainly focused on building capacities of Nigerien and Malian internal security and defence forces. Closer cooperation between EUCAP Sahel Niger and EUBAM Libya Missions is on the way to enhance EU action addressing the threats of terrorism, organised crime and irregular migration more effectively.

The three CSDP engagements in the Horn of Africa (EUNAVFOR Operation ATALANTA, EUCAP and EUTM Somalia) were subject to a holistic review in late 2017 the outcome of which has seen all mandates extended until December 2020. As regards the Central African Republic CSDP military mission EUTM RCA, the strategic review conducted in 2017 extended the current mandate for two

extra years demonstrating the added value of this action within an EU integrated approach in the Central African Republic.

EUFOR Althea in Bosnia and Herzegovina, the oldest of the EU's on-going CSDP engagements underwent its first Strategic Review in late 2017. The subsequent six-monthly review of the operation reflects the new political dynamics in Bosnia as it embarks on its EU and NATO accession path. Its executive mandate in securing the Safe and Secure Environment (SASE) remains extant while the non-executive capacity building and training elements are to be re-configured over the coming year. The EU Rule of Law Mission (EULEX) in Kosovo was subject to a Strategic Review in late 2017 and Member States agreed to extend the mandate until June 2020 and to the transition of a number of EULEX Kosovo tasks by June 2018.

Initially launched in 2015, EUNAVFORMED (ENFM) Operation SOPHIA is part of the EU's comprehensive approach to migration. The Operation complements EU action, which includes regional cooperation, policies on migration and asylum, humanitarian aid, diplomatic action, conflict prevention and crisis management. ENFM Operation SOPHIA also contributes to enhancing security by training the Libyan Navy and military Coast Guard, implementing the UN arms embargo on Libya and gathering information on illegal trafficking, including oil smuggling. The Operation will host a Crime Information Cell (CIC) as part of a pilot scheme to identify lessons on CSDP-Justice and Home Affairs cooperation which will see Justice and Home Affairs (JHA) agency personnel from EUROPOL and FRONTEX deployed at sea and in the operational HQ in Rome in the coming months. Thereafter, consideration will be given to the veracity and expediencies of rolling out further opportunities for collaboration between CSDP and JHA agencies. On 17 July 2017, the Council extended EUBAM Libya's mandate until 31 December 2018 to assist in a comprehensive civilian security sector reform planning process with a view to preparing for a possible civilian CSDP Mission, and to engage with and assist the Libyan authorities in the fields of border management, law enforcement and the broader criminal justice system.

On 5 December 2017, EUBAM established a 'light presence' in Tripoli, which has enabled the Mission to enhance its mapping of the relevant Libyan actors and to increase its overall engagement with the Libyan partners on the ground.

Finally, in the Middle East, the EU Police Mission for the Palestinian Territories (EUPOL COPPS) continues to assist the Palestinian Authority in building the institutions of a future State of Palestine in the areas of policing and criminal justice. The EU Border Assistance Mission for the Rafah Crossing Point (EUBAM Rafah), currently located in Tel Aviv, with a standby operational capacity to provide a third-party presence at the Rafah Crossing Point as part of the 2005 Agreement on Movement and Access (AMA agreement) forms part of confidence-building measures between the Government of Israel and the Palestinian Authority. The EU has reiterated its readiness to redeploy EUBAM Rafah, once conditions allow, to support efforts to reunite Gaza and the West Bank under one single and legitimate Palestinian Authority.

1.7. PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

SDG 17 on means of implementation of the 2030 Agenda includes a wide range of measures on finance, technology, trade and other means, consistent also with the Addis Ababa Action Agenda. The EU is committed to achieving SDG 17, both through its own external actions and resources and by facilitating implementation by others.

1.7.1. Cooperation with civil society organisations and local authorities

Building on EU political commitments to support civil society organisations (CSOs) and local authorities (LAs), the CSO-LA Thematic Programme of the DCI adopted in July 2014 aims to strengthen these actors in partner countries and in the EU when their actions relate to Development Education and Awareness-Raising (DEAR) of European citizens. The Instrument for Pre-Accession as well as the European Neighbourhood Instrument also provide substantial support to strengthen and promote the role of civil society in building stronger democracies, improve accountability systems and ultimately achieve better policies and positive socio-economic development.

The Report on EU engagement with Civil Society⁴², published in 2017, presents the achievements since 2012 featuring numerous examples of EU-funded projects. The related Council conclusions of June 2017 underline the crucial importance of CSOs for the successful implementation of the EU Global Strategy and the 2030 Agenda, including in achieving the SDGs. The June 2017 Joint Communication on A Strategic Approach to resilience in the EU's external action underlines as well the link between inclusive and participatory societies, with sustainable development and the prevention of violent conflict. It argues for attention to be given to the involvement of communities and civil society stakeholders.

The EU roadmaps for engagement with civil society (validated by the Council through the 2012 Communication⁴³) and attached to the human rights and democracy country strategies (HRDCS) have given a thorough analysis of civil society in most countries in the world, a common analysis of priorities for the EU and an assessment of the concrete actions taken or to be taken to support civil society. At the end of 2017, 105 EU Roadmaps have been completed and endorsed by EU Member States present in the respective countries. The implementation reports of the HRDCS have also reported on the actions undertaken by EU Delegations and Member State missions to achieve the objectives established in the roadmap for engagement with civil society.

The Policy Forum on Development, the multi-stakeholders dialogue platform established and supported by the European Commission to foster debate on European development policies and global agendas, held two meetings in 2017: in Belgium (global) and in Jordan (regional). An important outcome of these fora was the joint Civil Society Organisations and Local Authorities (CSO-LA) conclusions and recommendations amongst them, to take advantage of the forum as a

⁴² <https://europa.eu/capacity4dev/policy-forum-development/documents/eu-cso-report-1>

⁴³ The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, (COM(2012) 492).

model to encourage a permanent dialogue with governments and stakeholders and to learn from each other and replicate successful collaborations.

To further strengthen and deepen the Commission's partnerships with key networks of CSOs and Associations of LAs worldwide, a Partnership Forum was organised in June 2017 to debate over two days on key issues linked to the 2030 Agenda and the implementation of the European Consensus. With more than 400 participants, the event had three interwoven threads: 1) Building momentum around key issues such as means of implementation, shrinking space and fulfilling the New Deal in Fragile States and resilience; 2) Building multi-actor synergies to plan and build around upcoming summits and 3) Building initiatives to address relevant Commission financial tools and mechanisms and consult participants on the CSO and LA programmes and EU External Investment plan.

Civil society fora with partners from the Eastern Partnership countries and from the Southern European Neighbourhood were also held in 2017 to discuss the specific challenges for these regions.

The 19th edition of the EU-NGO Forum 'Human Rights under threat: exploring new approaches in a challenging global context' took place in Brussels on 5 and 6 December 2017. It gathered a series of high-level speakers from the EU (including HR/VP Mogherini), the UN and around 250 representatives of civil society from around the globe. The geographical discussions on the first day served as a basis for three thematic discussions on the second day: early warning/early action; communicating human rights; and trade, business and human rights.

The Assises of Decentralised Cooperation, organised in cooperation with the Committee of the Region, gathered 700 local authority representatives who discussed their contributions to development cooperation and to SDGs achievements. The EU encouraged and supported global associations of local authorities to organise the first ever AU-EU Local and Regional Forum of Local Authorities in the margin of the AU-EU Summit in Abidjan. Key outcomes of the Assises included i) the acknowledgment that SDGs are becoming one of the main drivers for decentralised cooperation, b) the recognition of development cooperation led by local authorities as complementary to traditional development aid in achieving the SDGs, and 3) the emergence of a new generation of decentralised cooperation partnerships that mobilise all relevant actors in a territory.

Activities conceived and implemented by CSOs and LAs in partner countries managed primarily by EU Delegations represent around 75 % of the budget of the CSO-LA Thematic Programme. In 2017, 103 countries benefitted from CSO-LA country allocations for a total of EUR 249 million (EUR 192.4 million CSO and EUR 56.6 million LA). CSO initiatives contribute to reinforcing governance, accountability and inclusive policy-making. LA actions included operations complementing sector budget support actions on decentralisation reforms, municipal public services delivery initiatives, reinforced local governance, accountability of sub-national governments and inclusive policy-making at the local level. All in accordance with the principle of subsidiarity and tested pilot actions to promote local development through a territorial approach.

Support to CSOs from the Instrument for Pre-Accession as well as the European Neighbourhood Instrument amounted to EUR 38.3 million and EUR 50.3 million respectively. This support aimed primarily to promote dialogue between civil society and authorities at national and regional level, as well as at strengthening CSOs' management, dialogue and advocacy capacities.

Related to the DEAR Programme, in 2017, 23 new projects were concluded with 18 civil society organisations and five local authorities for a global amount of approximately EUR 92 million. These 23 new projects deal with issues such as the implementation of the SDGs, integrating the Agenda 2030 into local policies, global education, responsible production and consumption and climate change and environment. They consist of development education and awareness raising activities aiming to mobilise the European public (being citizens, decision makers, schools and other target groups). In addition, adequate follow-up was ensured for the approximately 50 ongoing projects.

1.7.2. Cooperation with the donor community

Several strategic dialogues on development took place in 2017 with non-EU providers of assistance against the backdrop of the UN 2030 Agenda and its SDGs. The second Senior Official Development Dialogue with Australia took place in March 2017. Respective development priorities, in particular in the Indo-Pacific region, as well as the 2030 Agenda, the post-Cotonou process, private sector development, gender equality, and other topics were on the agenda.

During the 7th EU-China Strategic Dialogue in April 2017 both sides re-confirmed their respective commitment to engage in a bilateral development policy dialogue, including for implementation of the 2030 Agenda, on which discussions are ongoing.

The EU-Japan Development Policy Dialogue took place in May 2017. The Commission and its Japanese counterparts jointly organised a side event at UN General Assembly session in New York on 'quality infrastructure investment'.

The EU-US Development Dialogue at senior official level took place in June 2017: it was agreed to further exchange information given the interim situation in USAID. The 5th EU-Korea Development Dialogue also convened in June to discuss EU and Korean development priorities and humanitarian policies, among other things. At the 14th EU-Korea Joint Committee in December both parties agreed to strengthen cooperation through exchange of information on development instruments and tools.

The 17th Meeting of the EU-Brazil Joint Committee in September adopted the establishment of new policy dialogue on the 2030 Agenda for Sustainable Development. Contacts have been further developed with Mexico to establish similar policy development dialogues.

At the 2017 EU-India Summit in October the EU and India 'reiterated their commitment to collaborate on common priorities and looked forward to exploring the continuation of the EU-India Development Dialogue'. The 2016 EU-India Summit had identified areas of cooperation, including implementation of the 2030 Agenda.

The EU signed a Strategic Partnership Agreement with Canada in October 2016. The Agreement foresees a regular dialogue on international development policy. The first EU-Canada High Level Policy Dialogue on Development took place in November 2017.

The EU has a leading role in bringing together donors' responses to challenges in the neighbourhood and enlargement regions. This has continued to be the case in 2017, in the aftermath of the refugee crisis and migration related issues and in view of the development of a new strategy for the Western Balkans.

1.7.3. Cooperation with international organisations

In 2017 the EU continued to be engaged in development-related United Nations processes, including the High-Level Political Forum and the Financing for Development Forum. Contributions were coordinated for annual sessions of ECOSOC Functional Commissions and major UN Conferences, as well as input for relevant UN General Assembly and the UN Economic and Social Council (ECOSOC)-resolutions. At the UN General Assembly, the EU launched the Spotlight Initiative to eliminate violence against women and girls.

Important discussions took place at the OECD on development issues (OECD SDG Action Plan) and decisions on the modernisation of the development finance measurement framework (Peace and Security, Private Sector Instruments) in which the Commission had a pivotal role. Other topics were the reform of the Development Assistance Committee (DAC), the development of a definition of blending operations, the modernisation of the ODA definition and the launch of the EU Peer Review which continues in 2018.

Throughout 2017 the EU continued to engage in close collaboration with International Financial Institutions, in particular with the World Bank and the International Monetary Fund (IMF), but also with European Financial institutions and regional development banks on a range of topics including *inter alia* domestic resources mobilisation, public finance management, private sector and energy efficiency. In health research, an interesting initiative was the InnovFin Infectious Diseases Finance Facility (IDFF), which provided financial products for amounts typically between EUR 7.5 million and EUR 75 million, with the contribution of the European Investment Bank. The blending platforms with financial institutions for Africa and the Neighbourhood were substantially revised, with the launch of the European External Investment Plan in September 2017. Contacts have been further developed with some Arab financial institutions as well to establish policy development dialogue.

The EU continued to play an active role helping G7 leaders to take development issues into account, reflecting the 2030 Agenda. The G7 launched initiatives *inter alia* on food security, education and environment.

The EU actively contributed to taking forward the ‘G 20 Action Plan on the 2030 Agenda’ notably development of the ‘Hamburg Update – a list of G20 agreed commitments and collective action relating to the 2030 Agenda - and the initiatives ‘Rural Youth Employment 2’ and ‘#eSkills4girls’. The EU also contributed to development of the G20 Compact with Africa to promote private investment in Africa.

Furthermore, through the activities of the Horizon 2020 programme, the Commission contributes to the development of the Global Antimicrobial Resistance (AMR) Research and Development Hub. This initiative originated from the G20 and aims to further strengthen research efforts and coordination on a global level. It will build on initiatives like the Joint Programming Initiative on antimicrobial resistance (JPIAMR), via which 27 countries from the EU, Argentina, Egypt, India, South Africa and elsewhere are already pooling their efforts in the area of AMR research and development.

1.7.4. Macro-financial Assistance

Macro-financial assistance (MFA) is an EU financial instrument designed to address exceptional external financing needs of countries that are geographically, economically and politically close to the EU. Its prime objective is to restore macroeconomic and financial stability in the Enlargement Region and in countries in the European neighbourhood, while encouraging macroeconomic adjustment and structural reforms. MFA complements and is conditional on the existence of an adjustment and reform programme agreed with the International Monetary Fund (IMF). It takes the form of loans or grants, and is released in tranches strictly tied to the successful implementation of strong reform measures aimed at returning the beneficiary country's economy to a long-term sustainable path.

In 2017, the status of implementation of MFA programmes was the following:

- **Georgia MFA II** (EUR 46 million, half in loans and half in grants): The first tranche (a EUR 13 million grant and a EUR 10 million loan) was disbursed in 2015. The disbursement of the second tranche was delayed due to the lack of progress under the programme agreed with the IMF, but was disbursed in May 2017.
- **Jordan MFA II** (EUR 200 million in loans): The first tranche of EUR 100 million was disbursed in October 2017.
- **Moldova MFA** (EUR 100 million, EUR 40 million in grants, EUR 60 million in loans): The co-legislators adopted this decision on 13 September 2017. The Memorandum of Understanding between the EU and Moldova was signed on 24 November 2017. The assistance will be disbursed in three instalments.
- **Tunisia MFA I** (EUR 300 million in loans): The first two tranches (EUR 100 million each) were disbursed in 2015. The last tranche, postponed due to delays by the Tunisian authorities to implement the agreed policy measures, took place on 20 July 2017.
- **Tunisia MFA II** (EUR 500 million in loans): The first tranche of EUR 200 million was disbursed on 25 October 2017.
- **Ukraine MFA III** (EUR 1 800 million in loans): The first two tranches (of EUR 600 million each) were disbursed in July 2015 and April 2017, respectively. As several measures attached to the disbursement of the final tranche were not implemented before the availability period of the programme expired, the disbursement of this final tranche was subsequently cancelled on 18 January 2018.

In addition, the continuing difficult political and economic situation in the neighbourhood triggered new requests for assistance. This resulted in the adoption of proposals for two follow-up operations in Georgia and Ukraine.

- **Georgia MFA III**: On 29 September 2017 the Commission submitted a proposal to provide additional MFA to Georgia of EUR 45 million (EUR 35 million in loans and EUR 10 million in grants), to be disbursed in two tranches in 2018.

2. RESULTS FOR PROJECTS CLOSED BETWEEN JULY 2016 AND JUNE 2017

EU International Cooperation and Development Results Framework

For the fourth year, Commission services present selected results which were achieved with EU support in partner countries. It uses a number of key indicators which have been defined in the EU International Cooperation and Development Results Framework (EU RF)⁴⁴. The EU RF is part of the European Commission's wider efforts to strengthen its focus on performance and results and to enhance accountability, transparency and visibility of EU aid. Since its launch in 2015, Commission services have implemented systematic results measuring and reporting and undertaken specific efforts to collect results from EU funded interventions.

The results represent the combined efforts of a variety of partners including EU, Member States, partner country governments and public institutions, local communities, donors, international and finance agencies, civil society organisations, non-profit entities, and private companies.

The EU RF is structured around three levels of results. Level 1 corresponds to development progress in partner countries; Level 2 focuses on partner country results and corresponds to the outcomes and outputs to which the EU has directly contributed; and Level 3 reports on Commission services organisational performance.

Level 1 Development progress of partner countries: Presented in the first part of this chapter, it provides an overall picture of the development progress made by EU partner countries, i.e. the longer-term development results (outcomes and impact). The results presented in this section are based on a limited number of quantifiable indicators and thus provide a snapshot of EU partner countries' progress in development. Almost each of the indicators selected are either directly or indirectly related to the SDGs. This level of the EU RF consists of 32 indicators.

Level 2 Partner country results supported by the EU: Covered in the second section of this chapter, it gives an overview of results achieved in more than 100 partner countries with the EU support. It covers results from EU-funded interventions above EUR 750 000 of value that ended between 1 July 2016 and 30 June 2017. Results recorded have been achieved during the full period of project implementation and are reported on a contribution basis. This level of the EU RF consists of 32 indicators.

Level 3 Commission services organisational performance: This third section informs on how the European Commission services are managing their operational processes and resources in order to contribute to achieving development results. Data reported are based on the financing decisions taken by the European Commission from 1 January 2017 to 31 December 2017. Level 3 of the EU RF consists of 13 indicators.

The presentation of the EU RF indicators at level 1 and level 2 is aligned with the '5 P's' - People, Planet, Prosperity, Peace, Partnership - of the Agenda 2030 endorsed by UN General Assembly in September 2015 and in the New European Consensus on Development adopted in June 2017.

⁴⁴ 'Launching the EU International Cooperation and Development Results Framework', SWD(2015)80 final

Revision of the EU RF and results reporting exercise

The contribution to this year's Annual Report constitutes the last reporting against the results framework as it was introduced in 2015. This is due to two changes: Firstly, the EU RF has been updated to ensure alignment with the SDGs of the 2030 Agenda and the Consensus⁴⁵. Secondly, the exercise of results reporting at level 2 will broaden its scope considerably and cover results from ongoing EU-funded interventions. It follows the aim of increasing data coverage and obtaining more timely information to inform decision making.

The revised EU RF will continue to be used to improve accountability, transparency and to communicate the EU's international cooperation and development achievements.

Further information

More detailed results tables and methodologies can be found in the following annexes in chapter 5 of Part 2 of this Staff Working Document.

Methodology

Annex 1: Methodological basis for the report on selected results

Level 1 Development progress

Annex 2: Regional averages

Annex 3: List of partner countries grouped by region⁴⁶

Annex 4: Averages by instrument

Annex 5: List of partner countries grouped by instrument (Country List)

Level 2 Partner country results supported by the EU

Annex 6: List of countries covered by the reporting exercise broken down by region

Annex 7: Results disaggregated by sex

Annex 8: Results by country, regional and thematic programmes

Annex 9: Results broken down by region

Annex 10: Results broken down by financing instrument

⁴⁵ 'The New European Consensus on Development' COM (2016)740 final.

⁴⁶ OECD definition

2.1. Development progress in partner countries

This section presents the development progress made by partner countries against EU RF level 1 indicators and sets the context in which the EU's contributions to results should be understood. It focuses on the longer-term development outcomes and impact in the countries and reflects the results from the collective effort of partner countries, donors and other development actors.

The aggregated values include data from all countries with which the EU has bilateral cooperation programmes over the 2014-2020 period (see Figure 2). Countries with which the EU used to have bilateral programmes under programming period 2007-2013 but no longer has similar bilateral programmes under the current period (e.g. India) are not reported here. Data have been obtained from international statistical sources (e.g. United Nations' agencies, the World Bank, the International Monetary Fund and others). A complete list of the data sources for the indicators presented is provided in Annex 1 In Chapter 5

Baseline values refer to data available in the first year of results reporting as of May 2015- the majority of the data available at the time referred to 2013. The latest values use data available as of November 2017- the majority of the data points are from 2014, 2015 and 2016⁴⁷.

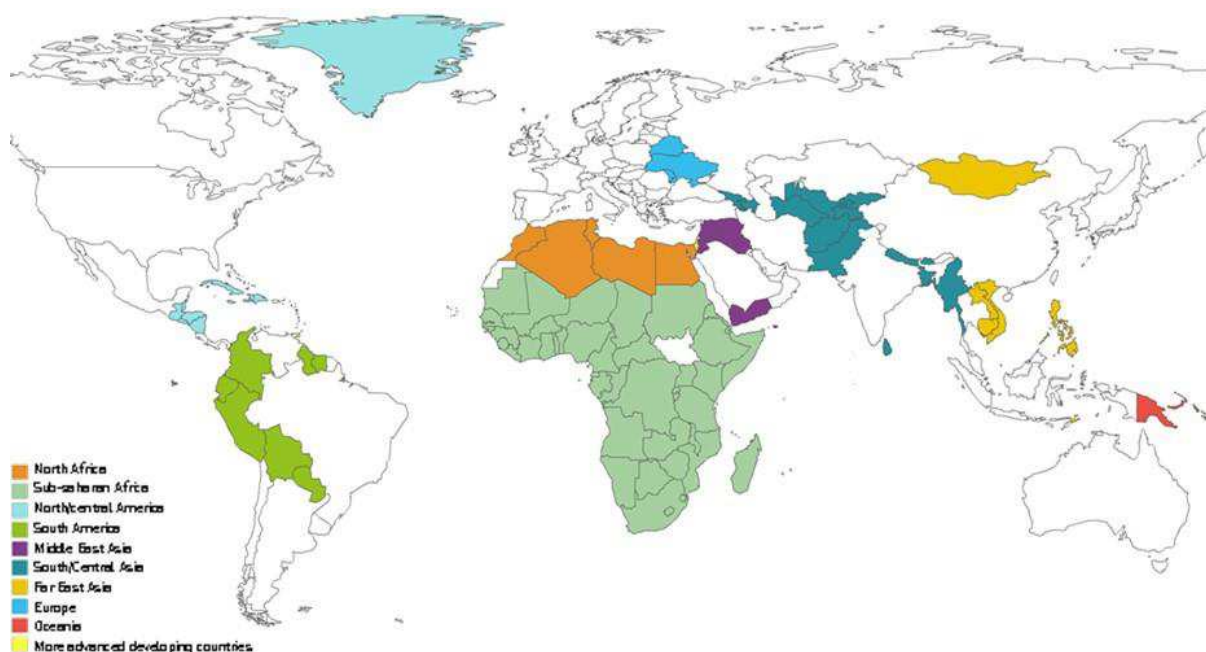


Figure 2: Development progress in EU bilateral cooperation - Map of countries grouped in regions⁴⁸

⁴⁷ Detailed information on data sources and calculations for each of the indicator can be found in their individual methodological notes at: <http://capacity4dev.ec.europa.eu/eu-rf>

Table 1: Development progress in EU partner countries – Summary

PEOPLE	Baseline⁴⁹	Latest value⁵⁰
POVERTY REDUCTION		
Proportion of population living below the international poverty line (%)	24.6*	23.2
Income share held by the lowest 40 % of income distribution (% income, period averages)	17.7	17.9
FOOD SECURITY AND NUTRITION		
Prevalence of stunting (moderate and severe) of children aged below five years (%)	34.4*	32.1
Prevalence of undernourishment (%)	16.1*	15.7
EDUCATION		
Primary Education Completion Rate (%)	77.9	79.5
Lower Secondary Education Completion Rate (%)	54.5	56.9
Literacy rate of 15-24-year-olds (%)	80.6	81.4
HEALTH		
Under-five mortality rate (per 1 000 live births)	60.5*	56.4
Maternal mortality ratio (per 100 000 live births)	381.8*	355.8
HIV prevalence among population aged 15-24 years (%)	0.7*	0.8
EMPLOYMENT AND SOCIAL PROTECTION		
Proportion of employed people living below the international poverty line (%)	26.4*	22.1
Share of older persons receiving pensions (%)	25.8*	37.3 ⁵¹
GENDER EQUALITY AND WOMEN'S EMPOWERMENT		
Proportion of seats held by women in national parliaments (%)	19.2	21.9
Percentage of women aged 20-24 years old who were married before their 18th birthday	29.5	28.8
before their 15th birthday	7.6	8.0

⁴⁹ Baseline values marked * have been updated since the first reporting for comparability across years. See chapter 6, annex 1 for further information.

⁵⁰ The latest values use data available as of November 2017- the majority of the data points are from 2014, 2015, 2016

⁵¹ While the value has increased the extent of the increase is largely driven by data availability

PLANET	Baseline⁴⁹	Latest value⁵⁰
NATURAL RESOURCES, ENVIRONMENT AND CLIMATE CHANGE		
Number of deaths per 100 000 from climate-related and natural disasters (average over ten years)	2.3	2.3
CO2 equivalent emission (kilo tons)	2 948 725*	3 148 000
Proportion of population using an improved drinking water source (%)	78.4	79.1
Proportion of population using an improved sanitation facility (%)	32.1*	32.7
Rate of net forest cover change, since 2000 (%)	-4.0	-5.80
State of biodiversity	3 038	3 706
Number of global species	-52.0	-58.0
Percentage change	(1970-2010)	(1970-2010)
ENERGY		
Percentage of the population with access to energy services	62.3*	70.7
Renewable energy production as a proportion of total energy production (%)	25.1*	24.3
PROSPERITY	Baseline⁴⁸	Latest value⁴⁹
INCLUSIVE GROWTH		
Real GDP growth, latest available year (%)	3.8	3.3
Real GDP growth, average over five last available years (%)	4.5	4.2
TRADE AND PRIVATE SECTOR DEVELOPMENT		
Average Global Competitiveness score (range 1-7)	3.7	3.8
Exports of goods and services as percentage of GDP	31.9	26.6
AGRICULTURE		
Cereal yield per ha (kg)	2 523	2 546
TRANSPORT		
Road density (km. of road per 100 sq. km of land area)	12.0	12.5
PEACE	Baseline⁴⁹	Latest value⁵⁰
GOOD GOVERNANCE		

Average Rule of Law score (Worldwide Governance Index, ranges from approx. -2.5 (weak) to approx. +2.5 (strong) performance)	-0.5	-0.5
Average Control of Corruption score (Worldwide Governance Index, ranges from approx. -2.5 (weak) to approx. +2.5 (strong) performance)	-0.4	-0.4
Average Voice and Accountability score (Worldwide Governance Index, ranges from approx. -2.5 (weak) to approx. +2.5 (strong) performance)	-0.4	-0.3
Public Finance Management, taxation, transparency and oversight of the budget (Good Governance)		
Change in domestic revenue mobilisation as a percentage of GDP over the last three years	-1.6* (2011-2014)	-2.4 (2013-2016)
CONFLICT PREVENTION, PEACE BUILDING AND SECURITY		
Number of violent deaths per 100 000	9.0*	8.8

2.2. EU Contributions to results in partner countries: aggregated results

The results presented in this section are reported from EU-funded interventions over EUR 750 000 that ended between July 2016 and June 2017 against EU RF Level 2 indicators. These results are complemented by examples of achievements in interventions funded by the EU.

The interventions covered in this report are funded by financing instruments managed by Commission services: the European Development Fund (EDF)⁵², the Development Cooperation Instrument (DCI)⁵³, the European Neighbourhood Instrument (ENI)⁵⁴, part of the Instrument contributing to Stability and Peace (IcSP)^{55,56}, the European Instrument for Democracy and Human Rights (EIDHR)⁵⁷, the Instrument for Nuclear Safety Cooperation⁵⁸ and the Instrument for Greenland⁵⁹.

In total, around 780 interventions with an overall expenditure of EUR 5.18 billion were included in the results collection sample. Of these, interventions that reported on at least one of the 32 indicators at EU RF level 2 indicators had a total expenditure of EUR 2.81 billion. The expenditure by sector is reported in Figure 3.

The main results from 2016-2017 are presented in Box 1. Table 2 is the summary of aggregated results achieved with EU support for the EU Results Framework Level 2 indicators. This is followed by Table 3 which illustrates the results achieved by Budget Support interventions.

Detailed information on definitions and methodology, including how double counting is minimised, can be found in Annex 1 in Chapter 5. Individual indicator methodological notes can be found at <http://capacity4dev.ec.europa.eu/eu-rfi>.

Chapter five also includes other more detailed information on partner country results, namely:

- Annex 6: List of countries covered by the reporting exercise broken down by region
- Annex 7: Results disaggregated by sex
- Annex 8: Results by country, regional and thematic programmes
- Annex 9: Results broken down by region
- Annex 10: Results broken down by financing instrument

⁵² Council Regulation (EU) 2015/322 on the implementation of the 11th EDF, and Council Regulation (EU) 2015/323 on the financial regulation applicable to the 11th EDF

⁵³ Regulation (EU) No 233/2014 establishing a financing instrument for development cooperation for the period 2014-2020

⁵⁴ The ENI instrument is no longer managed by DEVCO. Nonetheless, the result reporting is still dealt with by DEVCO, based on a commitment taken with the Council in relation to the EU Results Framework and on the fact that the results reporting takes place using the Results Oriented Monitoring launched by DEVCO in this perspective

⁵⁵ Regulation (EU) No 230/2014 establishing an instrument contributing to Stability and Peace

⁵⁶ Key data refer only to activities under Article 5 of the IcSP, which represents a small proportion of the overall financial envelope. The remainder is managed by the FPI under Article 3 (crisis response) and Article 4 (conflict prevention, peace building and crisis preparedness)

⁵⁷ Regulation (EU) No 235/2014 establishing a financing instrument for democracy and human rights worldwide

⁵⁸ Council Regulation (EURATOM) No 237/2014 establishing an Instrument for Nuclear Safety Cooperation

⁵⁹ Council Decision 2014/137/EU on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other

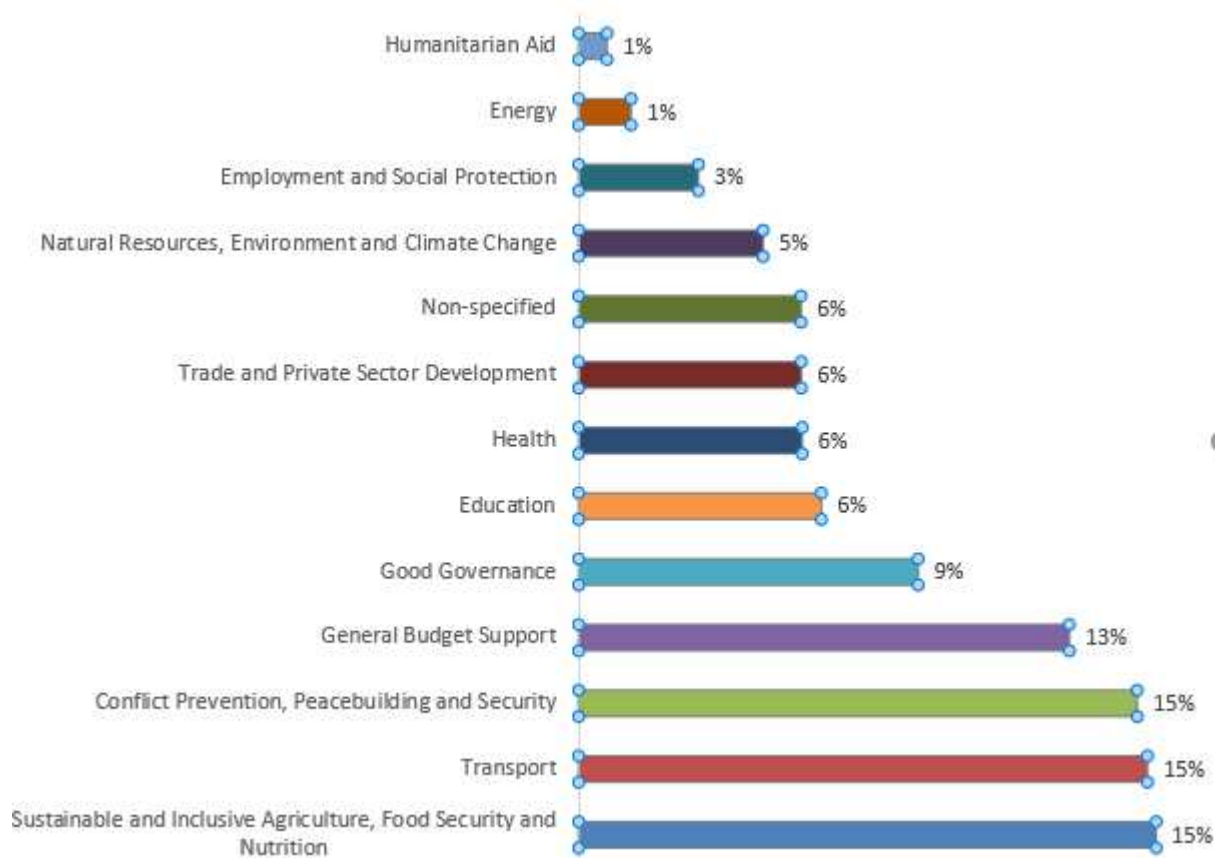


Figure 3: Expenditure by sector for interventions reporting results against EU RF level 2 indicators

Box 1 - Partner country results supported by the EU

EU-funded interventions that ended between June 2016 and July 2017 contributed to the following results:

Food Security and Nutrition

1 492 000 women of reproductive age and children under five years old benefited from nutrition-related programmes

2 679 000 food-insecure people received assistance through social transfers

Education

12 437 000 children were enrolled in primary education

3 377 000 children were enrolled in secondary education

321 000 teachers were trained, all providing a foundation for future learning and skills

Health

3 096 000 births were attended by skilled health personnel, helping to reduce maternal mortality

1 399 000 children under one year were immunised, helping to reduce child mortality

1 949 000 women had access to a method of contraception

11 000 000 people with HIV infection received antiretroviral therapy⁶⁰

136 000 000 insecticide-treated bed nets were distributed, to prevent the spread of malaria⁵⁷

Employment and Social Protection

166 000 people benefited from Vocational and Educational Training (VET)/skills development and other active labour market programmes intended to improve employability, productivity and competitiveness in partner countries

Natural Resources, Environment and Climate Change

61 countries developed and/or implemented climate change strategies, to help them adapt to global changes such as climate change and ecosystem degradation

16 140 000 hectares of protected areas were managed, to help ensure biological diversity and to preserve natural heritage

Energy

3 438 000 people were provided with access to sustainable energy services

4 200 km of transmission/distribution lines were built or upgraded, as part of efforts to provide access to secure, sustainable energy services

Trade and Private Sector Development

10 countries improved their capacity to trade across borders

13 000 firms gained access to credit, to help them avoid risks and make investments

880 quality certifications were issued to improve partner countries' national quality infrastructure to meet international standards and thus reap the benefits of the multilateral trading system

Three countries improved their business environment thereby enabling private enterprises to develop, leading to economic growth

6 600 micro, small and medium-sized enterprises (MSMEs) applied sustainable consumption and production practices to support a 'green' economy that generates growth, creates jobs and helps to reduce poverty

⁶⁰ The EU ongoing support to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) contributed to the results

Sustainable Agriculture

228 000 hectares of agricultural and pastoral ecosystems were managed by sustainable land management practices to reverse the degradation of agricultural ecosystems in partner countries caused by factors such as climate change

1 065 000 people received rural advisory services to add value to their produce and improve the links between farmers and markets

757 000 people secured tenure of land, building up their assets in order to enjoy sustainable livelihoods

Transport

1 700 km of roads were constructed, rehabilitated or maintained to provide better access to transportation, particularly for the most disadvantaged groups

1 844 000 people were provided with access to all-season roads

Good Governance

8 600 human rights defenders were supported in promoting civil, political, economic, social and cultural rights

Five elections were supported where the electoral process was perceived by independent observers as free and fair

57 000 individuals benefited directly from justice, rule of law and security sector reform programmes

309 000 people benefited directly from legal aid programmes, central to ensuring equality before the law by providing the right to counsel and the right to a fair trial

Conflict Prevention, Peace Building and Security

1 420 000 people benefited directly from programmes that specifically aimed to support civilian post-conflict peace building and/or conflict prevention

Public Financial Management

19 countries improved their overall public financial management, which is critical to the efficient management of public resources and delivery of services in partner countries

Table 2: Level 2 Results achieved with EU support 2013 - 2017⁶¹

EU Results Framework indicator	Results 2013-14	Results 2014-15	Results 2015-16	Results 2016-17	Aggregated Results 2013-17
PEOPLE					
FOOD SECURITY AND NUTRITION					
Number of women of reproductive age and children under five benefiting from nutrition-related programmes	4 544 000	5 025 000	916 000	1 492 000	11 976 000
Number of food-insecure people receiving assistance through social transfers	988 000	1 858 000	8 635 000	2 679 000	14 159 000
EDUCATION					
Number of children enrolled in primary education	19 447 000	10 635 000	5 290 000	12 437 000	47 763 000
Number of children enrolled in secondary education	9 562 000	7 603 000	550 000	3 377 000	21 087 000
Number of teachers trained	33 000	175 000	84 000	321 000	613 000
HEALTH					
Number of births attended by skilled health personnel	1 160 000	8 104 000	6 852 000	3 096 000	19 211 000
Number of one-year-olds immunised ⁶²	934 000	5 548 000	5 373 000	1 399 000	13 253 000
Number of women using any method of contraception ⁶³	43 053 000	13 238 000	70 000	1 949 000	57 302 000
Number of people with HIV infection receiving anti-retroviral therapy ⁶⁴	4 233 000	8 100 000	10 000 000	11 000 000	11 000 000
Number of insecticide-treated bed nets distributed ⁶⁵	150 000 000	204 000 000	111 000 000	136 000 000	601 000 000

⁶¹ Total aggregated results may not equal the sum of results from individual years to avoid double counting, or because of rounding, or both

⁶² The EU support to GAVI, the Vaccine Alliance for which contracts ended in 2014/15 and 2015/16 contributed to the results presented

⁶³ The 2013/2014 result is related to EU support to UNFPA Trust Fund to enhance reproductive health commodity security covering 46 countries that ended in the given period; this support currently continues in an ongoing project phase

⁶⁴ The EU support to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) contributed to the results presented. No EU contract with GFATM ended in the 2015/2016 and 2016/2017 and EU ongoing support to GFATM contributed to the results reported for these years.

⁶⁵ The EU support to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) contributed to the results presented. No EU contract with GFATM ended in the 2015/2016 and 2016/2017 and EU ongoing support to GFATM contributed to the results reported for these years. The 2015/2016 value was corrected from 165 million to 111 million, a redistribution of results between the last two years to ensure numbers are associated with the correct EU RF reporting period. The overall cumulative result is unaffected, and remains at 601 million

EMPLOYMENT AND SOCIAL PROTECTION					
Number of people who have benefited from VET/skills development and other active labour market programmes	326 000	195 000	198 000	166 000	882 000
PLANET					
NATURAL RESOURCES, ENVIRONMENT AND CLIMATE CHANGE					
Number of countries/regions with climate change strategies either being developed and/or implemented with EU support	49	12	30	61	100
Number of hectares of protected areas managed with EU support	13 785 000	3 951 000	12 694 000	16 140 000	46 572 000
ENERGY⁶⁶					
Number of people provided with access to sustainable energy services	-	-	1 103 000	3 438 000	4 541 000
Kilometres of transmission/distribution lines built or upgraded	1 300	2 600	3 300	4 200	11 000
PROSPERITY					
TRADE AND PRIVATE SECTOR DEVELOPMENT					
Number of countries whose capacity to trade across borders has improved	-	9	1	10	19
Number of firms with access to credit	450	10 000	13 000	13 000	37 000
Number of quality certifications issued	140	80	430	880	1 500
Number of countries where the business environment has improved	7	7	16	3	29
Number of micro, small and medium-sized enterprises (MSMEs) applying sustainable consumption and production practices	3 900	6 200	10 000	6 600	27 000
SUSTAINABLE AGRICULTURE					
Agricultural and pastoral ecosystems where sustainable land management practices have been introduced (in ha)	2 883 000	184 000	381 000	228 000	3 675 000
Number of people receiving rural advisory services	528 000	1 130 000	1 118 000	1 065 000	3 841 000
Number of people who have secure tenure of land	51 000	5 900	1 300	757 000	815 000

⁶⁶ There is insufficient reliable data to report on renewable energy production supported by the EU.

TRANSPORT					
Total length of road constructed/ rehabilitated/ maintained (km)	11 000	27 000	4 100	1 700	43 000
Number of people with access to all season roads	8 431 000	8 905 000	1 795 000	1 844 000	20 975 000
PEACE					
GOOD GOVERNANCE					
Number of human rights defenders who have received EU support	32 000	87 000	9 600	8 600	138 000
Number of elections supported by the EU where the electoral process is perceived by independent observers as free and fair	19	4	10	5	38
Number of individuals directly benefiting from justice, rule of law and security sector reform programmes funded by EU external assistance programmes	197 000	80 000	125 000	57 000	459 000
Number of people directly benefiting from legal aid programmes	372 000	78 000	923 000	309 000	1 682 000
CONFLICT PREVENTION					
Number of individuals benefiting directly from EU-supported programmes that specifically aim to support civilian post-conflict peace building and/or conflict prevention	651 000	404 000	314 000	1 420 000	2 789 000
PUBLIC FINANCE MANAGEMENT					
Number of countries where overall public financial management has improved	16	12	12	19	30

Level 2 Results achieved with support from EU Budget Support operations

Table 3 below presents the share of contribution to the EU RF supported by EU Budget Support operations related to the latest year of results reporting from interventions that ended between mid-2016 and mid-2017.

EU RF indicators from sectors like education and partly health report a higher share of results from Budget Support operations compared to sectors like Good Governance and Natural Resources and Environment where Budget Support is less common.

Table 3: Level 2 results achieved with support from EU Budget Support operations

EU Results Framework indicator	Results from BS 2016-2017	% total results 2016-2017
PEOPLE		
FOOD SECURITY AND NUTRITION		
Number of women of reproductive age and children under five benefiting from nutrition-related programmes	729 000	49
Number of food-insecure people receiving assistance through social transfers	2 517 000	94
EDUCATION		
Number of children enrolled in primary education	6 971 000	56
Number of children enrolled in secondary education	3 320 000	98
Number of teachers trained	289 000	90
HEALTH		
Number of births attended by skilled health personnel	1 671 000	54
Number of one-year-olds immunised	0	-
Number of women using any method of contraception	1 476 000	76
Number of people with HIV infection receiving antiretroviral therapy	0	-
Number of insecticide-treated bed nets distributed	0	-
EMPLOYMENT AND SOCIAL PROTECTION		
Number of people who have benefited from VET/skills development and other active labour market programmes	12 000	7
PLANET		
NATURAL RESOURCES, ENVIRONMENT AND CLIMATE CHANGE		
Number of countries/regions with climate change strategies either being developed and/or implemented with EU support	0	-
Number of hectares of protected areas managed with EU support	0	-
ENERGY		
Number of people provided with access to sustainable energy services	853 000	25
Kilometres of transmission/distribution lines built or upgraded	0	-

PROSPERITY		
TRADE AND PRIVATE SECTOR DEVELOPMENT		
Number of countries whose capacity to trade across borders has improved	1	10
Number of firms with access to credit	11 000	85
Number of quality certifications issued	60	7
Number of countries where the business environment has improved	1	33
Number of micro, small and medium-sized enterprises (MSMEs) applying sustainable consumption and production practices	0	-
SUSTAINABLE AGRICULTURE		
Agricultural and pastoral ecosystems where sustainable land management practices have been introduced (in ha)	0	-
Number of people receiving rural advisory services	0	-
Number of people who have secure tenure of land	740 000	98
TRANSPORT		
Total length of road constructed/ rehabilitated/ maintained (km)	140	8
Number of people with access to all season roads	164 000	9
PEACE		
GOOD GOVERNANCE		
Number of human rights defenders who have received EU support	0	-
Number of elections supported by the EU where the electoral process is perceived by independent observers as free and fair	2	40
Number of individuals directly benefiting from justice, rule of law and security sector reform programmes funded by EU external assistance programmes	6 000	11
Number of people directly benefiting from legal aid programmes	0	-
CONFLICT PREVENTION		
Number of individuals benefiting directly from EU-supported programmes that specifically aim to support civilian post-conflict peace building and/or conflict prevention	553 000	39
PUBLIC FINANCE MANAGEMENT		
Number of countries where overall public financial management has improved	0	-

Level 2 Results by sector

PEOPLE

EU Results Framework indicator	Results 2016-17
FOOD SECURITY AND NUTRITION	
Number of women of reproductive age and children under five benefiting from nutrition-related programmes	1 492 000
Number of food-insecure people receiving assistance through social transfers	2 679 000

Under-nutrition and malnutrition are major obstacles to development and a lifelong burden. They cause cognitive deficits, lower the ability of children at school and lead to poor health and reduced economic productivity. The EU works to end hunger, in line with the commitments in SDG 2, to enhance the resilience of the most vulnerable, particularly in countries facing protracted or recurrent crises.

In **Sierra Leone**, the EU contributed to improving maternal and child health through systems strengthening and interventions that encourage community-level behaviour change. From 2012 to 2016, over **33 000** women and children under five located in Freetown benefitted from assistance in the areas of nutrition, maternal, neonatal and child health services.

In **Burkina Faso**, the EU provided assistance through social transfers - constituting of rice, seeds, and cash transfers - to over **75 000** vulnerable households during the period 2013-2016. The programme has also sensitised women on nutrition issues including prevention of stunting and contributed to build resilience through the creation of nutritional gardens managed by women.

EU Results Framework indicator	Results 2016-17
EDUCATION	
Number of children enrolled in primary education	12 437 000
Number of children enrolled in secondary education	3 377 000
Number of teachers trained	321 000

Quality education and skills development are the prerequisites for youth employability and long-lasting development. Despite progress in the last few years, millions of children are still denied their right to education. The access to education for boys and girls is one of the top priorities of the EU, in line with SDG 4.

In **Nepal**, the EU provided support to school sector reform with the objective of increasing access to and improving the quality of school education, particularly for children from marginalised groups. Over the period 2009-2016, **3 320 000** students enrolled in secondary school (1 710 000 girls and 1 610 000 boys) with EU support.

In the Darfur region of **Sudan**, **2 000** teachers (1 100 women) completed an intensive three-month training on child-centred teaching methodologies and classroom management over the period 2013-2017. Additionally, 450 head teachers (122 women and 328 men) were trained on the use of an education management information system (EMIS) to support the provision of school-level data for

state and national statistics, allowing for better education planning and monitoring, especially in remote and conflict-affected areas.

EU Results Framework indicator	Results 2016-17
HEALTH	
Number of births attended by skilled health personnel	3 096 000
Number of one-year-olds immunised	1 399 000
Number of women using any method of contraception	1 949 000
Number of people with HIV infection receiving antiretroviral therapy	11 000 000 ⁶⁷
Number of insecticide-treated bed nets distributed	136 000 000 ⁶⁸

The New European Consensus on Development reaffirms the EU commitment to support partner countries in their efforts to build strong, good-quality and resilient health systems, contributing to SDG 3. In its partner countries, the EU provides assistance to prevent and combat communicable diseases such as HIV/AIDS, tuberculosis, malaria and hepatitis; to strengthen all areas of the health system, including the availability of qualified health workers; to promote investments in health to reduce the burden of preventable disease, increase life expectancy ensure quality health services accessible and affordable for all.

Through its support to a health pool funded in **South Sudan**, the EU has contributed to strengthening resilience of communities and the most vulnerable groups, as well as the refugees and internally displaced people. Over the period 2012-2016, **610 000** births were attended by skilled health personnel and **400 000** one-year old children (200 000 girls and 200 000 boys) were immunised.

In **Myanmar**, the EU contributed to a multi-donor fund to strengthen the national health system at all levels, extending access for poor and vulnerable populations to quality health services. The fund had a significant and nationwide impact improving maternal, new-born and child health, combating HIV and AIDS, tuberculosis and malaria. Thanks to the support, **220 000** children were immunised with pentavalent vaccine during the period 2013-2016.

In **Bangladesh**, the EU contributed to improving access and use of affordable sexual reproductive health services among marginalised and low-income women and men and young people. By 2016, **251 000** women from two remote districts were using modern contraception methods through the provision of family planning services, in particular through strengthening of health centres, deploying outreach teams in satellite clinics and awareness raising activities.

⁶⁷ The EU ongoing support to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) contributed to the results

⁶⁸ The EU ongoing support to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) contributed to the results

EU Results Framework indicator	Results 2016-17
EMPLOYMENT AND SOCIAL PROTECTION	
Number of people who have benefited from VET/skills development and other active labour market programmes	166 000

Promotion of inclusive life-long learning, technical and vocational training for youth and adults are powerful drivers of development especially when targeting women, disadvantaged individuals and crisis contexts. Consistent with SDG 8, the EU is committed to support efficient, sustainable and equitable social protection systems to build resilience and empower people with knowledge, skills and competencies to seize or create employment opportunities.

In the framework of a multi-donor trust fund focusing on livelihoods and food security, the EU supported the growth and modernisation of **Myanmar's** rural economy by encouraging diversification in agriculture and providing skills for new jobs with higher wages. From 2010 to 2016, **33 100** individuals (12 600 women, 20 500 men) were trained in non-agricultural skills development in the form of vocational training in areas such as tailoring, hairdressing, mechanics, food processing, modern beekeeping and honey production.

In **Uganda**, the EU supported the Youth Entrepreneurship Facility implemented by the International Labour Organisation (ILO) in partnership with local NGOs, workers organisations and business development services providers. This action aimed at developing business-oriented study curricula and providing youth with business development skills. During the period 2014-2016, **16 000** people (4 000 girls, 12 000 boys) benefitted from revised study curricula whilst attending classes at Business, Technical, Vocational, Education and Training (BTVET) institutions and an additional 10 000 youth were trained in entrepreneurship and management.

PLANET

EU Results Framework indicator	Results 2016-17
NATURAL RESOURCES, ENVIRONMENT AND CLIMATE CHANGE	
Number of countries/regions with climate change strategies either being developed and/or implemented with EU support	61
Number of hectares of protected areas being managed	16 140 000

The EU is strongly committed to support climate change mitigation and adaptation especially in the most vulnerable contexts (SDG 13). It assists developing countries' efforts to move towards a low emission development path and to promote the conservation of biodiversity, the protection of fragile ecosystems and the sustainable use and management of natural resources (SDGs 6, 14 and 15). The EU is also promoting 'green economy' that can generate growth, create jobs and help reduce poverty. This includes supporting market opportunities for cleaner technologies, energy and resource efficiency, low-carbon development while stimulating innovation and the use of information and communications technologies.

During the period 2012-2017 the EU supported countries in the European Neighbourhood region to be better equipped for greenhouse-gas emission reductions and climate change impacts. Five countries – **Azerbaijan, Moldova, Belarus, Georgia, Ukraine** – improved their legislative framework

and developed climate policies undertaking additional and updated obligations towards the United Nations Framework Convention on Climate Change (UNFCCC) with EU support.

The EU supported **Burkina Faso's** authorities to better manage **3 000 000** hectares of national parks and protected areas of Arly and Pendjari. Over the period 2013-2016, the project realised a regional plan for the conservation of protected areas, set institutional and financial governance mechanisms for the natural resources management, operational mechanisms for the co-management and monitoring of natural resources.

EU Results Framework indicator	Results 2016-17
ENERGY	
Number of people provided with access to sustainable energy services	3 438 000
Kilometres of transmission/distribution lines built or upgraded	4 200

Access to energy is a pivotal enabler of development and growth. Promoting safe, renewable and efficient energy services, in line with SDG 7, is critically important to sustainable development and climate change containment.

The EU supported the installation of solar home systems on a sustainable fee-for-service basis in rural and peri-urban areas in **Guinea Bissau**. By 2016, over **30 000** people, of which more than half are women, were provided with access to sustainable energy services for both domestic and small business use.

Over the period 2012-2017, sustainable and renewable energy supply systems were implemented in rural areas with no access to electricity in the southern part of the **Dominican Republic**. **14 500** people benefitted from solar energy systems and were also sensitised on environmental issues and efficient and sustainable exploitation of renewable energy solutions at community level.

PROSPERITY

EU Results Framework indicator	Results 2016-17
TRADE AND PRIVATE SECTOR DEVELOPMENT	
Number of countries whose capacity to trade across borders has improved	10
Number of firms with access to credit	13 000
Number of quality certifications issued	880
Number of countries where the business environment has improved	3
Number of micro, small and medium-sized enterprises (MSMEs) applying sustainable consumption and production practices	6 600

In relation to investment climate, the EU is active in supporting micro, small and medium-sized enterprises (MSMEs) and boosting investments through a combination of funding for sustainable development, technical assistance and measures to help improve economic governance and business environments (SDGs 8 and 9).

From 2009 to 2016, the EU contributed to a trade development support programme which aimed at increasing the **Cambodia's** capacity to formulate and implement sound trade policies. Trade facilitation reforms have triggered growth in exports and, according to the World Bank's Logistics Performance Index, Cambodia has jumped to a ranking of 73 in 2016 from 129 in 2010.

In **Azerbaijan**, the EU has supported **10 700** entrepreneurs (1 500 women, 9 200 men) in the agricultural sectors to access credit. From 2010 to 2014 the programme aimed at promoting sustainable agricultural and encouraging entrepreneurship in the field of agricultural and rural development by improving business environment and institutional capacity.

During the period 2013-2017, the EU supported the rattan sector in **Indonesia** in promoting sustainable production, processing and utilisation of rattan products. The project involved stakeholders all along the value chain and contributed to improved learning, application and replication of sustainable best practices in the sector. In total, **720** SMEs implemented eco-friendly production process with intervention support.

EU Results Framework indicator	Results 2016-17
SUSTAINABLE AGRICULTURE	
Agricultural and pastoral ecosystems where sustainable land management practices have been introduced (in ha)	228 000
Number of people receiving rural advisory services	1 065 000
Number of people who have secure tenure of land	757 000

Two-thirds of the world's poor depend on agriculture for their livelihoods. Support to smallholders, including family farmers and pastoralists, remains of central importance, to enhance resilience in rural areas, contribute to food security and stimulate diversification and sustainable agricultural production (SDG 2).

In **Chad**, the EU supported sustainable practices in land and natural resources management through a six-year programme on food security and good governance. From 2010 to 2016, the programme focused on participatory planning and concerted management of soils in support of populations and local authorities. Improved land management systems have been introduced for around **10 000** hectares which contributed to increase the production and commercialisation of agri-pastoral products.

The EU funded multi-country initiative 'Farmers Fighting Poverty aimed at improving the livelihoods and food security situation of rural producers in Sub-Saharan Africa, through the strengthening of farmers' organisations. From 2012 to 2016 over **200 000** farmers from farmers' organisations in 19 countries benefitted from advisory services and capacity building in financial management and access to financial services, good practices on land security, and farming technical training.

Over the period 2012-2017 the EU provided technical assistance to build capacity in land administration and increase awareness of land rights in **Bangladesh**. The project introduced a digital land management system for updating land records in three target areas and was able to provide registration of land to **17 000** landowners, including 48 % vulnerable landowners.

EU Results Framework indicator	Results 2016-17
TRANSPORT	
Total length of road constructed/ rehabilitated/ maintained (km)	1 700
Number of people with access to all season roads	1 844 000

One of the key constraints for economic development in developing countries is the lack of appropriate transport infrastructure. Roads are still the principal means of transport in most partner countries and account for 80-90 % of passenger and freight transport. Often, roads are the only way of reaching the most rural communities, and they provide a means of transportation that is readily accessible to the most disadvantaged sections of the population.

However, the development of road networks frequently outstrips the resources available to properly maintain them – resources that are estimated at approximately 5-10 % of the operating budgets of many partner country governments. Contributing to SDG 9, funds are allocated not only for construction but also for the rehabilitation and maintenance of the road network in partner countries.

In 2014-2017, the EU supported the construction and maintenance of 520 km of road in Garamba national park in the **Democratic Republic of Congo**. This aimed at facilitating access and strengthening park management and was part of the EU's wider assistance to the conservation of protected areas.

In the archipelago of the **Comoros**, the EU provided support to the transport sector aiming at a sustainable development of the sector contributing to economic growth of the island state. It specifically aimed at planning and managing of the road network and facilitate the circulation of goods and persons especially from remote areas. Around 300 km of roads were rehabilitated improving the mobility of over **50 600** individuals.

PEACE

EU Results Framework indicator	Results 2016-17
GOOD GOVERNANCE	
Number of human rights defenders who have received EU support	8 600
Number of elections supported by the EU where the electoral process is perceived by independent observers as free and fair	5
Number of individuals directly benefiting from justice, rule of law and security sector reform programmes funded by EU external assistance programmes	57 000
Number of people directly benefiting from legal aid programmes	309 000

Good governance, rule of law and democracy are the fundamentals to build resilient societies and strong economic systems. Contributing to SDG 16, the EU helps partner countries to establish accountable and transparent institutions, foster participatory decision-making and ensure fair

election process. Human rights, gender equality, inclusion and non-discrimination are the principles of good governance and development.

The EU contributed to promoting more democratic, inclusive and transparent process in the presidential elections of **Peru** in 2016. The support contributed to raising awareness of the importance of elections and the role citizens and civil society can play to ensure transparent and fair elections. It involved state and non-state actors in particular women, youth, indigenous people and lesbian, gay, bisexual, and transgender (LGBT) civil society.

In **Nicaragua** the EU supported security sector reform through a better organised and trained police force, more efficient judicial system, improved capabilities to fight organised crime and stronger prevention measures. In 2012-2016, over **3 500** newly enrolled police officers were trained in the framework of the programme to enforce police institution, citizen security and prevent youth violence.

In the **Democratic Republic of the Congo**, the EU helped consolidate the rule of law and to enforce justice, especially in rural areas. Over the period 2012-2016, almost **10 000** persons – of which more than 60 % are women – benefitted from legal assistance in relation to mass crimes, crimes against the humanity, violation of human rights and gender-based violence.

EU Results Framework indicator	Results 2016-17
CONFLICT PREVENTION	
Number of individuals benefiting directly from EU-supported programmes that specifically aim to support civilian post-conflict peace building and/or conflict prevention	1 420 000

In its development assistance policy, the EU pays special attention to fragile and conflict-affected states and is engaged to promote transparency, accountability and access to justice in its actions on conflict prevention, conflict resolution, relief and recovery, and building sustainable peace (SDG 16). Where conflict has occurred, the EU aims to contribute to a smooth transition from humanitarian aid and crisis response to long-term development cooperation.

The EU contributed to the Nepal Peace Trust Fund which is a unique funding mechanism to support **Nepal's** peace process after the Comprehensive Peace Accord in 2006. The fund provides support at both institutional level - for elections, law and justice, national, national monitoring mechanisms of the peace process and local reconciliation – and community level, in particular to improve the living conditions of the most vulnerable communities. Over the period 2014-2017, this initiative reached over **500 000** individuals, mainly conflict affected persons and internally displaced persons.

2.3. European Commission's organisation performance as the manager of EU aid

This section provides a set of key data on how the Commission services are managing their operational processes and resources to contribute to achieving development results.

All indicators presented in this section have been calculated with reference to the calendar year 2017, with the sole exception of the indicator 'Amount of EU-funded international cooperation and development assistance directed towards nutrition' which reports preliminary 2017 data.

In terms of coverage, the figures presented here refer only to the following financing instruments managed by the Commission services in 2017: the European Development Fund (EDF)⁶⁹, the Development Cooperation Instrument (DCI)⁷⁰, the Instrument contributing to Stability and Peace (IcSP)^{71,72}, the European Instrument for Democracy and Human Rights (EIDHR)⁷³, the Instrument for Nuclear Safety Cooperation⁷⁴ and the Instrument for Greenland⁷⁵.

In all cases, the sources of data are the European Commission's internal monitoring systems.

EU organisational performance is assessed across three areas:

- i. Quality at entry (design of projects and programmes)
- ii. Quality of portfolio performance (ongoing operations)
- iii. Policy priorities

Indicators of performance are presented in Table 4 and described in further detail below.

⁶⁹ Council Regulation (EU) 2015/322 on the implementation of the 11th EDF, and Council Regulation (EU) 2015/323 on the financial regulation applicable to the 11th EDF

⁷⁰ Regulation (EU) No 233/2014 establishing a financing instrument for development cooperation for the period 2014-2020

⁷¹ Regulation (EU) No 230/2014 establishing an instrument contributing to Stability and Peace

⁷² Key data refer only to activities under Article 5 of the IcSP, which represents a small proportion of the overall financial envelope. The remainder is managed by the FPI under Article 3 (crisis response) and Article 4 (conflict prevention, peace building and crisis preparedness)

⁷³ Regulation (EU) No 235/2014 establishing a financing instrument for democracy and human rights worldwide

⁷⁴ Council Regulation (EURATOM) No 237/2014 establishing an Instrument for Nuclear Safety Cooperation

⁷⁵ Council Decision 2014/137/EU on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other

Table 4: EU organisational performance

Performance area	Indicator	2014	2015	2016	2017	Total 2014-17	Target
Quality of project documents as assessed by DG International Cooperation and Development's internal Quality Support Groups	% of project documents assessed as satisfactory ⁷⁶ in internal peer review (yearly)	67 %	98 %	98 %	86.2 %	n/a	No target
DG International Cooperation and Development's internal assessment of ongoing projects (activities)	% of projects with red traffic lights concerning progress on implementation	3.6 %	3.6 %	3.6 %	3.3%	n/a	Below 10 %
DG International Cooperation and Development's internal assessment of ongoing projects	% of projects with red traffic lights concerning the achievement of objectives	2.8 %	4.4 %	3.8 %	3.8 %	n/a	Below 10 %

⁷⁶ i.e. well-designed or giving rise to only minor issues to be addressed

Performance area	Indicator	2014	2015	2016	2017	Total 2014-17	Target
(results)							
Budget execution (commitments) ⁷⁷	EU international cooperation and development assistance committed (value and % of execution of available budget)	EUR 6.155 billion (92.3 %)	EUR 8.176 billion (130.7 %)	EUR 8.280 billion (118%)	EUR 10.625 billion (104.5%)	EUR 34.746 billion	100 %
Budget execution (disbursements) ⁷⁸	Value of EU international cooperation and development assistance paid (value and % of execution of available)	EUR 7.502 billion (101.2 %) ⁷⁹	EUR 5.694 billion (101.7 %)	EUR 6.912 billion (94%)	EUR 7.119 billion (95.4%)	EUR 26.817 billion	100 %

⁷⁷ EU Budget Heading 4, year credits (C1) and EDF

⁷⁸ EU Budget Heading 4, year credits (C1) and EDF

⁷⁹ Disbursements have been even higher than 100% due to the reuse of unused payment credits from the previous year

Performance area	Indicator	2014	2015	2016	2017	Total 2014-17	Target
	budget)						
Time needed to disburse ⁸⁰	% of payments paid within the contractual deadline	64.6 %	65.9 %	63.7%	89.1 %	n/a	Min 85 %
Nutrition	Amount of EU-funded international cooperation and development assistance directed towards nutrition	EUR 229.9 million	EUR 309.6 million	EUR 892.9 million ⁸¹	EUR 343.3 million ⁸²	EUR 1.776 billion	The EU pledged to finance EUR 3.5 billion between 2014 and 2020 to reduce stunting – ‘Nutrition for Growth’ in London– during the UK presidency of the G8 on 8 June 2013

⁸⁰ Definition has changed as of 2017 – including target. Previous values refer to the indicator "% of invoices paid within the period of 30 days within the framework of EU international co-operation and development assistance" (target 66%).

⁸¹ Final figures from year 2016

⁸² Preliminary figures

Performance area	Indicator	2014	2015	2016	2017	Total 2014-17	Target
Gender mainstreaming	Proportion of EU-funded cooperation and development initiatives promoting gender equality and women's empowerment	31.3 %	51.6 %	58.8 %	65.9%	50.5%	One of the objectives of the EU Gender Action Plan 2016-20 is to show the percentage of new EU actions that score gender either as the principal objective (G2) or as a significant objective (G1). The target is for 85 % of new actions to score G1 or G2 by 2020.
Fragile states	Amount of EU-funded international cooperation and development assistance directed towards fragile states	EUR 1.424 billion (commitments) EUR 2.495 billion (payments)	EUR 2.831 billion (commitments) EUR 2.274 billion (payments)	EUR 4.970 billion (commitments) EUR 3.208 billion (payments)	EUR 3.879 billion (commitments) EUR 3.494 billion (payments)	EUR 13.105 billion (commitments) EUR 11.472 billion (payments)	No targets
Leverage of blending	(a) Investment leverage ratio	(a) 15.5	(a) 14.1	(a) 9.4	(a) 11.7	n/a	No targets

Performance area	Indicator	2014	2015	2016	2017	Total 2014-17	Target
operations financed by EU international cooperation and development assistance, measured as ⁸³ :	(b) Total eligible financial institution leverage ratio	(b) 9.2	(b) 9.5	(b) 3.7	(b) 7.6	n/a	
	(c) Private loans/ equity leverage ratio	(c) 2.3	(c) 2.2	(c) 0.7	(c) 0.91	n/a	
Human development	Share of EU-funded international cooperation and development assistance directed towards supporting human development	15.8 %	21 %	13.7 %	17.1%	16.9%	In its Communication on the Agenda for Change COM(2011) 637, the Commission set an overall benchmark of spending 20 % of the cooperation and development budget on social inclusion and human development. (2014-2020)
Environment and	Amount and share of EU-						The EU has made the commitment to step up its

⁸³ Calculation methodology revised in 2015. Figures for 2014 here presented are also based on the new method.

Performance area	Indicator	2014	2015	2016	2017	Total 2014-17	Target
climate change	funded international cooperation and development assistance contributing to:						contribution to averting global biodiversity loss by 2020 (EU biodiversity target as part of the EU Strategic Plan for Biodiversity 2011-2020). The Development Cooperation Instrument (DCI) Regulation contains a commitment to contribute to the objective of addressing at least 20% of the EU budget to a low-carbon and climate-resilient society (DCI recital 20). (2014-2020)
	(a) protecting biodiversity	(a) 2.5 %	(a) 4.3 %	3.6 %	7.7%	4.7%	
	(b) climate change (adaptation and mitigation)	(b) 11.4 %	(b) 12.6 %	24.1 %	24.7%	19.3%	
Trade facilitation	Amount of EU-funded international cooperation and development assistance contributing to trade facilitation	EUR 73 million	EUR 33.6 million	EUR 39.4 million	EUR 10.2 million	155.8 million	In 2014, on adopting the WTO Trade Facilitation Agreement, the EU committed to maintain at least its current level of support to trade facilitation over a five-year period; starting from the signature of the Agreement, namely EUR 400 million over five years, or

Performance area	Indicator	2014	2015	2016	2017	Total 2014-17	Target
							over a third of developing countries' estimated needs, primarily through regular EU aid channels. (2014-2019)

Quality at entry (design of projects and programmes)

Proposals for EU-funded projects and programmes are screened through a dedicated internal peer-review process (Quality Support Groups – QSG) within Commission services to ensure the adequate quality of their design. In 2017, 86.2 % of projects were assessed as satisfactory at the final QSG at the end of the design stage. This is slightly lower compared to previous years, possibly due to more thorough appraisal, particularly on results and indicators for monitoring and reporting purposes.

Quality of portfolio performance (ongoing operations)

Project implementation is assessed by Commission services on a yearly basis in terms of advancement of activities and reaching stated objectives.

Budget execution is 104.5 % in terms of commitments since the EDF has committed more than its yearly target mainly in support of EU Trust Fund Africa on migration. Disbursements reached 95.4 % of the available budget as a result of some delay encountered in the implementation of EDF funded activities. 89.1 % of the payments were made within the contractual deadline. This meets the target of at least 85 %.

The proportion of ongoing projects flagged as problematic in terms of their implementation and/or achievement of objectives remains below 4 % and in line with figures reported for previous years.

Policy priorities

Nutrition

In 2012 the EU announced the commitment to support partner countries in reducing stunting in children under five years (SDG target 2.2) by at least seven million in 2025. A specific policy framework was developed around this target in the form of the Communication ‘Enhancing Maternal and Child Nutrition in External Assistance’⁸⁴, followed by Council conclusions on Food and Nutrition Security in external assistance of 28 May 2013. Shortly after, at the Nutrition for Growth Summit in London, in June 2013, organised by the UK during their G8 presidency, the EU pledged to allocate EUR 3.5 billion for nutrition in 2014-2020, to achieve its stunting objective. Building on its nutrition reduction target and its financial pledge, the Commission, at the request of the Council, issued in 2014 its Action Plan on Nutrition⁸⁵. The purpose of the Commission's Action Plan on Nutrition is to describe in detail how the EU will use these funds to reach its targets.

The services have assessed the level of nutrition investments from 2008 to 2017 for the EU interventions undertaken by Commission services. This assessment has been carried out by analysing each decision taken within this period against the Scaling Up Nutrition Movement (SUN) donor resource tracking methodology⁸⁶. The result of this analysis shows that the Commission's investment in nutrition through EU funds managed by Commission services has substantially increased from 2012 to 2017, with an exponential increase during year 2016 with the Commission investing EUR 2.496 billion in nutrition programmes in the period 2014-2017, which corresponds to 71 % of its commitment for 2014-2020.

⁸⁴ COM(2013) 141 final, 12.3.2013

⁸⁵ SWD(2014) 234 final, 3.7.2014

⁸⁶ The Scaling Up Nutrition Movement resource tracking methodology currently used by UK, Germany, Netherlands, France, Ireland, USAID, World Bank, Canada and the BMGF: http://scalingupnutrition.org/wp-content/uploads/2013/12/RESOURCE_TRACKING_METHODODOLOGY_SUN_DONOR_NETWORK.pdf

The vast majority of commitments in 2014-2016 were focused on 40 countries with high-burden of malnutrition. These are the countries that need support and are estimated to host just under half the world's stunting burden in 2012. The Commission's strategic focus is on those countries where extra efforts are crucial in order to secure achievement of the World Health Assembly (WHA) target by 2025.

Gender mainstreaming

The best available benchmark by which to measure financial contributions to gender equality and women's empowerment is the OECD-DAC gender marker. Measuring the amount of funding support to gender equality is important both in terms of accountability and to identify where more resources may be needed to achieve SDG 5.

The target set by the new Gender Action Plan 2016-2020 meant that 85 % of all new EU-funded cooperation and development projects and programmes would score G1 or G2 indicating that they would either have a significant gender equality dimension (G1) or would have gender equality as a principal objective (G2). Where no inherent impact on gender is identified, the score (G0) will require justification. The marker does not measure multilateral aid, general budget support, debt relief or emergencies.

Despite the target of 85 % remaining far from being met, we can underline a clear improvement obtained in 2017, reaching 65.9 % in Commission services projects, against 58.8 % in 2016. This illustrates significant success of the efforts deployed on gender equality in the last years, but also the need to further continue them. Attention may be required in ensuring good quality of gender mainstreaming in programmes and correct use of the marker in the database.

Fragile states

In its Communication on the Agenda for Change the European Commission committed to give priority to countries 'most in need and fragile' and highlighted the importance of tackling the challenges of fragility with the objective of building peaceful states and societies and reducing poverty.

Considering that it is estimated that by 2030 the majority of the world's poor will be concentrated in fragile and conflict-affected countries, the new European Consensus on Development reiterates this commitment and underlines that these countries require special attention and sustained international engagement in order to achieve sustainable development. The Joint Communication on 'A Strategic Approach to Resilience in the EU's External Action' also highlights that the EU will work towards the greater integration of the resilience approach in EU programming and financing of external action.

Overall EU commitments to fragile countries are set out through National and Regional Indicative Programmes for 2014 – 2020. Multi-year programming means that annual commitments and disbursements may vary from one year to the other. In 2017, Commission services has disbursed 56.8 % of its funds towards fragile countries, a significant increase compared to 2016 (53.2 %). In terms of commitments, the yearly engagement in fragile countries represents 44.7 % of its overall commitment.

Leverage of blending operations

In 2017 the EU continued to increase its use of blending as an important instrument to mobilise external financing to realise investments in partner countries. 2017 saw the beginning of the implementation of the European External Investment Plan (EIP) and ramping up of activities with the Africa Investment Platform, as well as the blending facilities active in Asia, Latin America, the Caribbean and the Pacific. The amount of EU contributions to blending continued to increase, with 2017 being the year with the largest amount of financing approved, well in excess of EUR 1.1. billion. The leverage ratios presented in the report are those expected in the blending operations, as estimated by the financial institutions involved.

For projects approved in 2017, it is expected that for each euro granted by the EU, the financial institutions concerned will invest approximately EUR 5.1, while the total investments expected to be mobilised amount to just under EUR 9. The mobilisation of private financing reached a leverage of almost 1.0 (i.e. one euro of EU funds has leveraged an additional euro from private financing).

As compared to previous years, there has been a decrease in the leverage ratios linked with the fact that activities in more difficult markets, such as Africa, account for a significant majority of the grant amounts approved. In addition, many projects are new and innovative with significant complexity.

Human development

Human development is an important component of EU aid policies, with a 20 % benchmark set in the Communication on the Agenda for Change which was re-emphasised in the new European Consensus on Development 'Our World, Our Dignity, Our Future'. In line with the EU Council of Ministers' Conclusions of 14 May 2012⁸⁷ on the Agenda for Change, the European Commission has defined human development disbursement as including funding in the following sectors: health; education; and social protection and services (including social transfers).

In 2017, the DEVCO committed EUR 1.48 billion towards actions contributing to human development, representing 17.1 % of the total commitments made in the same year. This shows a substantial increase compared to 2016 – though still short of the 20 % target.

The distribution of commitments across sectors for 2017 is shown in Figure 4.

⁸⁷ "As for inclusive and sustainable growth, support for inclusiveness will be focused primarily on social protection, health and education. Support to social inclusion and human development will continue through at least 20% of EU aid."

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/130243.pdf

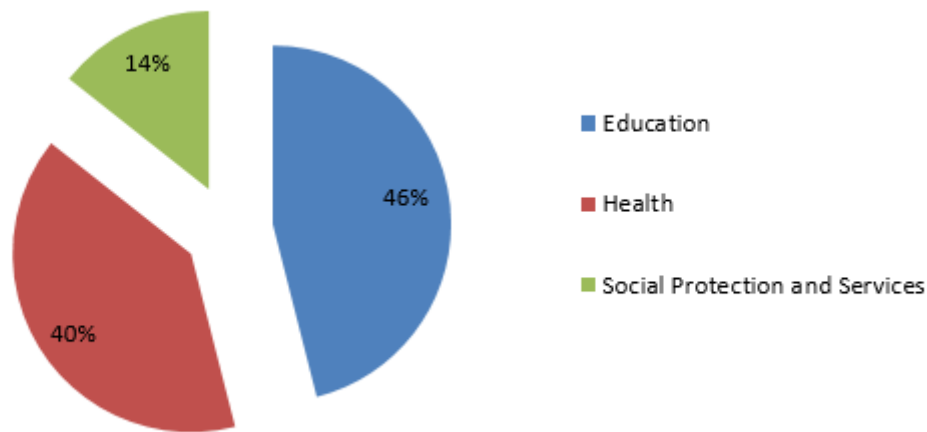


Figure 4: Commitments towards human development in 2017 (% by sector) Source: DG International Cooperation and Development

In the field of education, the EU continued its proactive engagement towards achieving SDG 4. To this effect, the EU reinforced its strategic financial and policy support to the Global Partnership for Education (GPE), which supports basic education in the poorest countries and those furthest away from global education goals, with a focus on ensuring equity of access (reaching the marginalised) and improving learning outcomes. The Commission increased its pledge for the current programming period from EUR 375 million to EUR 475 million.

The EU maintains a special focus on education in emergencies and crisis situations. In 2017, a EUR 21 million programme was launched with the main objective to support education needs in protracted crisis situations, focusing on improving quality of education in safe learning environments and building global evidence base for effective interventions. With a total contribution of EUR 16 million and active involvement in its governance structures, the EU maintained a key role in the global platform Education Cannot Wait (ECW) which in 2017 supported the education of 3.7 million children in 13 crisis-affected countries.

One of the challenges on the way to achieve quality education for all children worldwide is the lack of qualified teachers. The EU continued its support to the Teacher Task Force, the primary forum and international alliance of stakeholders to address teacher issues, such as the teacher shortage and professional development. The EU also supported the training of rural teachers in African countries through a programme implemented by the *Organisation Internationale de la Francophonie*.

In the field **of health** (SDG 3), in line with the 2010 Council Conclusions on 'the EU role in Global Health', the EU pursues a rights-based approach to health which was re-emphasised in the new European Consensus on Development. The EU health aid contributed to strengthen national health system and moving towards the SDG target of universal health coverage (UHC) with quality health services accessible and affordable for all. Various modalities are being used for our health aid including programme support and health sector budget support. For the financial framework 2014-2020, the overall EU aid budget allocated to health is about EUR 2.6 billion. This includes an amount

of about EUR 1.3 billion for direct support to 17 countries⁸⁸ where health is a sector of bilateral cooperation. This is complemented through regional and global financing mechanisms (Global Fund, GAVI) and UN agencies (WHO, UNFPA) for an amount of around EUR 1.3 billion EUR.

The EU has continued to be a strong supporter of the Global Fund both politically and financially (EUR 475 million pledged for the period 2016-2019) as well as GAVI the Vaccine Alliance (EUR 200 million in 2016-2020). Commission services have invested considerable time and energy on governance oversight. Both GAVI and the Global Fund have matured over recent years and as a result, the Global Fund has been recognised by Commission decision as an international organisation following successful completion of the five-pillar assessment.

The EU also continued to play a leading role in ensuring women's access to health and family planning services around the world. Sexual and Reproductive Health and Rights (SRHR) are an integral part of our bilateral and multi-lateral health programmes and our commitments to gender equality as reflected in the Gender Action Plan 2016-2020. The EU-UN Spotlight Initiative to eliminate violence against women and girls that was launched in autumn of 2017 includes a focus on SRHR especially in sub-Saharan Africa. The EU contribution to the United Nations Population Fund (UNFPA) Trust Fund 'UNFPA Supplies' (EUR 20 million / 2016-2017) has improved availability of quality reproductive health services, contraceptives, condoms and life-saving maternal health medicines in the 46 targeted countries. The programme further strengthened national health systems and supported governments to enhance the positioning and prioritisation of family planning in policies, programmes, in service provision, in budgeting and fund allocation although more support is required in this area. Flexible funding is provided (based on annual plans) with a major focus on reaching vulnerable population groups, including adolescent girls and women/girls in humanitarian settings.

The 'Supporting Public Health Institutes Programme' (SPHIP) funded by the EU (EUR 23 million/2015-2020) is midway through and has made substantive progress on policy development for UHC and Non-Communicable Diseases, public health capacity building and health research. SPHIP has also been successfully profiled in a number of international health conferences: European Public Health Conferences, the 4th Global Symposium on Health Systems Research and the 10th European Congress on Tropical Medicine and International Health.

The EU support (EUR28 million/2016-2018) in collaboration with Luxembourg and recently Ireland continued to support the World Health Organisation (WHO) in fulfilling its core role in coordinating and strengthening the health sector in 28 priority countries (benefitting a total population of 550 million people) to the effect that this programme is considered a flagship programme by WHO. The 'WHO-EU - Luxembourg Universal Health Coverage Partnership programme' focused on building country capacities for the development, negotiation, implementation, monitoring and evaluation of robust and comprehensive national health policies, strategies and plans, with a view of promoting Universal Health Coverage, people-centred primary care, health in all policies and harmonisation of aid behind national strategies and plans.

⁸⁸ These are Afghanistan, Belize, Burkina Faso, Burundi, Central African Republic, Democratic Republic of the Congo, Ethiopia, Grenada, Guinea-Conakry, Guinea-Bissau, Mauritania, Morocco, Nigeria, Sudan, South-Sudan, Tajikistan, and Zimbabwe.

Environment and climate change

The climate-relevant part of all EU budgetary commitments made in 2017 for actions funded in the context of international cooperation and development was estimated at 24.7 % while the biodiversity-relevant part was estimated at 7.7 %. Climate change is increasingly integrated into our development programmes and the Commission remains strongly committed to mainstreaming environment and climate change considerations into the project design and implementation process, building on the momentum created by the new 2030 Agenda for Sustainable Development, the Paris Agreement, the new Urban Agenda and the Sendai Framework on Disaster Risk Reduction.

The new European Consensus calls on the EU and Member States to build capacity to mainstream environmental sustainability, climate change objectives and the pursuit of green growth into national and local development strategies. EU cooperation in these areas contributes to SDGs 12, 13, 14 and 15. Environment and climate concerns are integrated across the People, Prosperity, Planet, Partnerships and Peace components. In response to these commitments, Commission services has progressively strengthened its approach to environment and climate change mainstreaming over the last three years, notably with the approval of new guidelines, more active engagement with EU delegations, awareness raising, capacity development and the systematic screening and review of action documents. These efforts will need to be sustained in the coming years to promote environmental sustainability and achieve the objectives of allocating 20 % of EU budget to climate related action and doubling biodiversity related funding to developing countries. More importantly, these efforts need to be expanded and deepened to cover all sectors and instruments of EU cooperation and effectively translate into action with positive environmental and climatic impacts. Mainstreaming environment and climate change into development cooperation is an essential tool to help countries to protect their environment, implement their Intended Nationally Determined Contributions (INDCs), and achieve the objectives contained in the Paris Agreement.

A range of dedicated environment and climate programmes are supported under the Global Public Goods and Challenges (GPGC) programme. The Global Climate Change Alliance initiative (GCCA+) fosters policy dialogue with, and support to, climate action in partner countries, mainly Least Developed Countries (LDCs) and Small Island Developing States (SIDS). Building on the experience accumulated since 2008 in supporting partner countries in reducing poverty while increasing their capacities to adapt to the effects of climate change the GCCA+ will now also help in delivering on certain commitments outlined in their INDCs and on their wider national development agenda, including vulnerable groups' empowerment (women and youth). The GPGC Programme also funds activities aiming at universal access to modern energy services, doubling energy efficiency and to increase substantially the share of renewables in the global energy mix by 2030, a key contribution to the Africa Renewable Energy Initiative (AREI) launched at COP21. Actions at local level have intensified specially with the first seven cities selected under the Covenant of Majors in Sub-Saharan Africa. The tree pillars of action are: climate adaptation, climate mitigation and access to energy. The cities signing up to the CoM commit to design and adopt Sustainable Energy Access and Climate Action Plans (SEACAPs).

GPGC activities in this cluster also include dedicated support for disaster risk reduction in developing countries' cities to build capacities to improve urban planning integrating sustainability and resilience, as well as for increased investment in integrated climate change adaptation and disaster risk reduction and supporting developing countries' governments to improve the understanding and

the capacity to take informed decisions on disaster risk financing (DRF) based on sound financial analysis.

The Global Public Goods and Challenges component related to Environment and Climate Change provides the EU with a unique instrument to address work at multilateral level related to international environmental governance (IEG). Environmental governance is essential for the sustainability of poverty eradication to fully realised. In particular, there is a need to support global environmental initiatives and multilateral environmental agreements (MEAs) and to strengthen the voice of developing countries in these multilateral fora.

The GPGC IEG component focuses on developing countries' participation in international processes, on the production of implementation tools and guidelines, and on the production of environmental knowledge to inform policy making on: ecosystems services (biodiversity and natural capital, including oceans); promoting greener economies (sustainable growth/jobs); combatting pollution (human health); and more horizontal aspects related to environment mainstreaming.

One particular element is the Programme Co-operation Agreement (PCA) with UNEP, providing targeted support to UNEP-led initiatives, for example the International Resource Panel, and to the ratification and implementation of MEAs such as the recent entry into force of the Minamata convention on Mercury.

This GPGC component supported the participation of developing countries in the third UN Environment Assembly (UNEA) in December 2017. UNEA adopted important resolutions and international commitments to 'Beat Pollution' and implement related targets from the 2030 Agenda.

GPGC is also the core funding source for the Biodiversity for Life (B4Life) Flagship Initiative. This aims to support the conservation and sustainable use of terrestrial and marine ecosystems and to combat wildlife trafficking in accordance with international commitments such as target six of the 'EU Biodiversity Strategy to 2020' and target 20 of the Aichi Biodiversity Targets under the 'Convention on Biological Diversity'.

A significant effort is being made through the regional programme of the EDF in the ACP countries to address biodiversity loss, along with wildlife conservation and the combat against wildlife poaching and trafficking.

EU action on environment sustainability also includes the SWITCH to Green initiative, which promotes green business development through cooperation with the private sector –in particular MSMEs- and through the elaboration of enabling policy environments. SWITCH to Green is funded through both the GPGC and geographic programmes. It is meant to contribute to EU's commitment to promote a green economy that generates growth and creates jobs. The EU External Investment Plan and blending facilities offer new opportunities to support the transition to low carbon and resource-efficient economies, through the promotion of green investments. This will require sustained attention to environmental sustainability and climate change.

Trade facilitation

Funds to support the implementation of the Trade Facilitation Agreement are a component of the broader Aid for Trade assistance provided by the EU. Funds programmed under the EU's 2014-2020 Multiannual Financial Framework cover trade-related needs well in excess of the EU's commitment

of EUR 400 million for trade facilitation. The level of commitments in 2017 stands at EUR 10.2 million, compared to EUR 39.4 million in 2016.

3. IMPLEMENTATION: Working towards people, planet, prosperity, peace, partnership and responding to crisis in each region

3.1. African continental, Sub-Saharan Africa & all ACP programmes

3.1.1. Sub-Saharan Africa

3.1.1.1 Introduction (Policy Developments)

EU-ACP Relations

In view of the expiry of the Cotonou Partnership Agreement in 2020, the landmark event in 2017 was the adoption by the College on 12 December 2017 of a Commission Recommendation including draft negotiating Directives for a renewed agreement with the countries of Africa, Caribbean & Pacific. The aim is to engage in negotiations with the 79 ACP countries, once a final negotiation mandate is adopted. The European Commission recommendation proposes to agree with ACP partner countries on a foundation agreement with common values, interests and facilitating increased cooperation at international level, which would go together with regional tailored partnerships for Africa, the Caribbean and the Pacific.

Africa-EU Partnership

The 5th Africa-Union-European Union Summit, the first after the re-accession of Morocco, with the participation of all 55 Member States of the Africa Union was held on 29-30 November 2017 in Abidjan, Ivory Coast, under the central theme of 'Investing in Youth – for a sustainable future' in the framework of the Joint Africa-EU Strategy. A joint communication 'A renewed impetus of the Partnership Africa-EU' adopted in May set out the EU's priorities and initial proposals for substantive outcomes for the Summit.

The Summit agenda and the joint political declaration adopted at the Summit reflected the priorities of both partners: 1. Investment for job creation and skills and education; 2. Migration and mobility; 3. Peace and security; and 4. Governance. Significant efforts were put into the youth track for the Summit preparations, encompassed by the 4th Youth Summit and the subsequent, unprecedented AU-EU Youth Plug-In Initiative, which ensured direct inputs from youth to the process in the form of the Abidjan Youth Declaration and the Youth Agenda. Summit related events and side-events in addition to the Youth Summit included the CSO Forum and meetings of Economic and Social Actors; Local Authorities; the European Parliament and the Pan-African Parliament and the EU-Africa Business Forum.

AU-UN-EU trilateral cooperation was launched in September in New York and put into practice with the establishment of the Joint AU-EU-UN Taskforce to Address the Migrant Situation in Libya in the margins of the AU-EU Summit.

Peace and security remained at the heart of AU-EU cooperation in 2017. At the Abidjan Summit, leaders agreed on the principle of developing a framework document which will put the partnership on peace and security on a more solid and structured basis. They also reiterated their commitment to the implementation of the African Peace and Security Architecture (APSA). In May the 2017-2018

Action Programme of the African Peace Facility (APF) was approved with a commitment of EUR 535 million. It provided substantial support to finance African-led Peace Operations, such as the G5 Sahel Joint Force, the AU mission in Somalia (AMISOM) and the ECOWAS mission in the Gambia (ECOMIG). Under its Early Response Mechanism (ERM), the APF contributed to ensure stability and prevent violence. Examples include the successful transition of power in the Gambia and the peaceful presidential electoral process in Liberia. The APF also contributed to reinforce the (APSA) over the three-year (2016-2018) APSA support programme amounting more than EUR 28 million. This covers activities related to conflict prevention and early warning, crisis management and conflict resolution including the African stand by force and mediation, post conflict, reconstruction and development, strategic issues. The programme benefitted the AU Commission and eight regional economic communities/Regional mechanisms.

Two AU-EU Human Rights Dialogues were organised in 2017, the 12th dialogue on 10 January in Brussels (postponed from the end of 2016) and the 13th on 31 October in Banjul, Gambia. Cooperation with the African Union Commission during 2017 focused on delivering on the joint commitments identified and progress over the years in the field of human rights protection including the finalisation of the guidelines on combatting sexual violence, continued EU support to the African Human Rights System, the introduction of a Protocol of the African Charter on Human and Peoples' rights on the rights of persons with disabilities, the AU Declaration of 2017 on 'Harnessing the Demographic Dividend through investments in the Youth', and the commitment and concrete steps to strengthen and secure a more enabling environment for civil society. In this respect, the EU welcomed the recent adoption of African Commission on Human and Peoples' Rights (ACHPR) Guidelines on Freedom of Association and Assembly and the holding of the Pan-African Conference on Freedom of Expression in Kampala in March 2017.

During 2017, important cooperation activities took place with the African Union Commission (AUC) through the Pan-African Programme. As part of the Pan-African Programme, the Commission allocated in 2017 close to EUR 100 million for a series of initiatives that are expected to spur private investments, provide technical assistance and enhance the African business environment.

On 1-2 July the African Union - European Union Agriculture Ministers Conference was held in Rome.

3.1.1.3 PEOPLE – Human Development and dignity

3.1.1.3.1 *Implementation*

Eradicating poverty, tackling discriminations and inequalities and leaving no-one behind are at the heart of EU development cooperation policy in Sub-Saharan Africa. The EU Trust Fund for Africa (EUTF), for example, approved in 2017 several projects that aim at addressing the root causes of poverty affecting refugees and host communities. In the Horn of Africa, in Djibouti, the programme 'Sustainable solutions for host communities and most vulnerable refugees and migrants' (EUR 15 million) will protect refugees and offer sustainable solutions to refugees, migrants and host population in the framework of the Comprehensive Refugee Response Framework⁸⁹ and commitments taken by the Government of Djibouti in this area. The programme 'Education in

⁸⁹ <http://www.unhcr.org/comprehensive-refugee-response-framework-crrf.html>

Emergency Programme in Four Former States in South Sudan' (EUR 22.439 million) will focus on improving child protection, foster better nutrition and equitable access to primary education. Finally, the programme 'PROTECT – Protection of vulnerable migrants along migratory routes in Sudan' (EUR four million) will provide psychosocial support, medical assistance, food and non-food items as well as legal aid and interpretation/translation to migrants involved in legal proceedings. While extreme fragility continues in the West Africa region, stemming from a range of underlying and interconnected challenges and threats, the EUTF has reinforced the resilience of local populations: 200 000 people facing extreme vulnerability benefited from social transfers in Burkina Faso and Mali, while 500 000 people were assisted around Lake Chad in setting up subsistence activities on the sylvo-pastoral level. In particular, the EUTF played an important role in the implementation of the new Partnership Framework for Migration in the Sahel and Lake Chad region, namely through its support to ongoing dialogues and the creation of incentives in win-win partnerships, contributing to mainstreaming migration in the EU's political dialogues with key countries. For example, between April and December 2017, protection and assistance were provided to over 20 000 migrants returning voluntarily from the region and Libya to their communities of origin, including reintegration counselling and reintegration assistance. In Nigeria the Borno Package interventions in the North-East pursuing an integrated humanitarian/development approach provided development cooperation assistance for approximately 1.3 million internally displaced people and affected communities with a strong focus on women, children, young people and orphans. Through the EDF, In Guinea Bissau, the new EU programme on rural development (EUR 44 million) aims to seize the socio-economic opportunities offered by agricultural value chains, as well as to support civil society. For a third year in a row in 2017, Cabo Verde suffered from the impact of climate change, this time with a severe drought. The EU's prompt response provided an emergency package of EUR 7 million to support the governmental Emergency Programme to tackle the consequences of the drought and the bad agricultural year across the entire country.

The Central Africa region is marred by very poor socio-economic conditions for most of the population and while economic prospects in 2017 looked brighter than in 2016, the underlying challenges persisted. EU interventions in Central African Republic (CAR) continued to address the resilience of the population and tackling their basic needs, most notably through the EU Trust Fund for the Central African Republic 'Bêkou' (launched in July 2014 with EUR239 million pledged so far) by building community resilience and national capacity countrywide (about 1.85 million people reached in 2017) in the current four priority areas (rural development; health; redeployment of public administration, and reconciliation). These priorities are aligned to the National Plan (RCPCA) and the EU-CAR National Indicative Programme (NIP). People's needs were addressed in the Democratic Republic of Congo (DRC), where the EU adopted a EUR 10 million increase to the health programme as a response to the humanitarian crisis in the Kasai region. Implementation of important programmes in support to the population continued (biodiversity conservation, sustainable agriculture, health). EU direct support to the population continued in Burundi, with a new EUR 95 million individual measure adopted in June 2017 and aimed at building the population's resilience in the nutrition/rural development, health, and energy sectors. Actions under this measure are implemented by EU Member State agencies, UN agencies and NGOs. In addition, Burundi received funding through regional programmes and thematic lines.

The EU increased support to the Zimbabwe Health Development Fund, from EUR 20.5 million to EUR 75.7 million. The fund focuses on improving health outcomes, increasing the protection of both

women and men against health threats, strengthening the national health system and reducing inequalities in access to quality health services.

In Malawi, the 'Social Support for Resilience ' (EUR 50 million) programme provides an opportunity to enhance the nexus between Social Protection and Humanitarian Action. It was complemented, at the end of 2017, by EUR nine million under the thematic programme Pro-Resilience Action, PRO-ACT, to support the poorest and food-insecure households to react to el-Nino related food crises.

In Mozambique, the Nutrition Support Programme (EUR 30 million) supports the government co-ordination and strategic planning functions for nutrition while scaling up the implementation of essential nutrition-specific interventions included in the Multi-sector Action Plan for the Reduction of Chronic Undernutrition.

In Zambia, the Programme of Prevention of Sexual and Gender Based Violence (SGBV) and Support to Survivors (EUR25 million) takes steps towards social norm change, lack of support services, economic and social empowerment, and provide technical assistance on SGBV policy implementation, at community and district level through focusing on young people, targeting leaders and media interventions.

In Botswana, the Human Resource Development programme supported the re-establishment of community support structures for families with young children and the management of childhood illnesses.

At the continental level, 2017 also saw the implementing phase of the Pan-African Annual Action Programme (AAP) 2016 for EUR 54 million focusing on actions in education, sustainable growth and migration.

Through the Pan-African Masters Consortium in Interpretation and Translation (PAMCIT) project, the EU helps train highly qualified interpreters and translators in Africa to meet emerging needs. PAMCIT is financed by the EU Pan-African programme in cooperation with the United Nations. PAMCIT has established a network of five universities in Africa (in Cameroon, Ghana, Senegal, Kenya, and Mozambique) acting as centres of excellence to train interpreters and translators at master's level.

The 4th EU-AU High level Policy Dialogue (HLPD) on Science, Technology and Innovation (STI) took place around the results of the first year of the partnership on Food, Nutrition Security and Sustainable Agriculture, and adopted a roadmap towards a new partnership focused on Climate Change and Sustainable Energy.

Two AU-EU Human Rights Dialogues were organised. Cooperation with the African Union Commission during 2017 focused on delivering on the joint commitments and significant progress has been achieved in the fields of human rights protection. Main achievements are: the finalisation of the guidelines on combatting sexual violence; the EU continuous support to the African Human Rights System; the introduction of a Protocol of the African Charter on Human and Peoples' rights on the rights of persons with disabilities; the AU Declaration on 'Harnessing the Demographic Dividend through investments in the Youth'; and the commitment and concrete steps to strengthen and secure an enabling environment for civil society. In this respect, the EU welcomed the recent adoption of the African Commission on Human and Peoples' Rights' Guidelines on Freedom of Association and Assembly and the holding of the Pan-African Conference on Freedom of Expression in Kampala in March 2017.

3.1.1.3.2 *Thematic overview*

In the health sector, in addition to bilateral support to 11 countries in Sub-Sahara Africa, the EU continued promoting health in the region through global programmes, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria. Through GAVI, the EU supports vaccination in 21 Sub-Saharan African countries. UNFPA intervenes in 35 countries in the region and the EU-WHO Universal Health Partnership supports actions in 14 countries in the region.

In addition, the EUs' commitment to the SDGs 1 (no poverty), 3 (good health), 9 (industry, innovation and infrastructures) and 17 (partnerships), has continued through the Horizon 2020 programme, by supporting the second European and Developing Countries Clinical Trials Partnership programme, with EUR 683 million for the period 2014-2024 (EDCTP2). The aim of this partnership⁹⁰ between 14 European countries, 16 African countries and the EU, is to contribute to the reduction of the social and economic burden of poverty-related diseases in developing countries, in particular in sub-Saharan Africa, by accelerating the clinical development of effective, safe, accessible, suitable and affordable medical interventions for poverty-related diseases, in partnership with sub-Saharan Africa. EDCTP2 contributes to making the European Union a strong global player in health research. Moreover, the Commission co-chairs the Global Research Collaboration for Infectious Diseases (GLOPID-R): the network of health research funders that aims to facilitate an effective research response within 48 hours of a significant outbreak of a new or re-emerging infectious disease with pandemic potential (e.g. Ebola, Zika, etc).

In addition to bilateral support in 14 countries in Sub-Sahara Africa, the EU continued promoting education in the region through global programmes. Through the Global Partnership for Education (GPE), the EU provided support to 37 countries on the continent. Through the Education cannot Wait platform and fund, the EU contributed to the support to children in six crisis affected countries in the region: Central African Republic, Chad, Ethiopia, Madagascar, Somalia, Uganda. In 2017 alone, the Erasmus+ programme supported 191 short academic exchanges of African students, staff and researchers and another 101 from Europe to Africa. In addition, 34 full Master degree scholarships were given and 21 capacity-building projects were financed in the region.

While a lot of support focuses on improving smallholder resilience and livelihoods, support to enhancing nutrition and resilience to crises also received worthy attention. For example, the 'Information for Nutrition, Food Security and Resilience Decision Making' (INFORMED) programme seeks to substantially increase the resilience of livelihoods to threats and crises and reduce food insecurity and malnutrition. Thanks to INFORMED, various tools have contributed to the better preparedness of national and international organisations in addressing food security crises, as attested by the reduction in the number of casualties compared to similar situations in previous years. In 2017, the work of the Global Network and the analysis of the Global Report on Food Crises helped avert famines in three countries in Africa: Somalia, South Sudan and Northern Nigeria.

⁹⁰ So far (August 2018) the following countries participate in the EDCTP General Assembly with equal voting rights: 14 European States (Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, and the United Kingdom) and 16 sub-Saharan African States (Burkina Faso, Cameroon, Congo, Ethiopia, Gabon, The Gambia, Ghana, Mali, Mozambique, Niger, Nigeria, Senegal, South Africa, Tanzania, Uganda, and Zambia)

The culture programme ACP Creative Industries and Cultural sector programme ended in 2017. Overall the programme reached 422 308 young people, affected the regulatory framework of 17 countries, trained 8 062 people and reached 20 million people via social networks. A regional Ethical Fashion Initiative has been funded with EUR 10 million to address root causes of migration through job creation in the ethical fashion and design supply chain in West Africa (Mali and Burkina Faso).

The implementation of the EU Gender Action Plan on the African continent provides a mixed picture on EU delegations' performance on gender mainstreaming set in the GAP 2016-2020 with good performers (for example Senegal, Sierra Leone, Angola and South Africa), and with less good performers who need to improve their performance. A significant number of new actions are now gender mainstreamed in accordance with the OECD gender markers. Regional differences still exist with Central and West Africa lagging behind East and Southern Africa.

The EU is supporting the global effort to put an end to harmful practices including child early and forced marriage and female genital mutilation (FGM) implemented by United Nations Children's Emergency Fund (UNICEF) and UNFPA with EUR 11 million. Twelve countries have now adopted national budget lines to address FGM and more than 1.5 million girls and women have received services for protection and care in the 17 countries, 16 of them in Africa, covered by the joint programme. In addition, the EU supports the UNFPA-UNICEF global programme to end child marriage with EUR six million. The programme has reached over 754 000 girls through girls 'clubs, schooling initiatives or skills training and 1.6 million individuals.

The EU is also supporting a regional programme in Africa (four countries, EU contribution EUR four million) dedicated to ensuring universal birth registration. Burkina Faso and Cameroon have adopted national Civil Registration and Vital Statistics strategies and costed action plans. Research papers on Côte d'Ivoire and Togo have been completed in 2017 under the thematic support of the EU-OECD project Youth Inclusion. Policies on youth well-being have been reviewed with recommendations to support youth national strategies in education, employment, health and civic participation.

There has been programmatic support to migration-related objectives during 2017 across Sub-Saharan Africa. Most notable has been the results achieved by the Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa (the EUTF for Africa). Under the Sahel and Lake Chad window, engaged in 12 countries of the Sahel and Lake Chad region, 14 new projects were approved totalling over EUR 291 million. Five previously approved projects were also given additional support of over EUR 66 million in 2017. Under the Horn of Africa window, 17 new actions for an overall amount of EUR 233.48 million were approved in 2017. With EUR 900 million contracted, the implementation pace of the EUTF for Africa improved in 2017 with significant results being reported. For instance, through the Sahel and Lake Chad window, the International Organisation for Migration (IOM) and government authorities in Niger have saved more than 2 700 migrants through desert Search and Rescue operations and with the joint support of the EU and the IOM, more than 13 000 vulnerable and stranded migrants have been provided adequate protection measures and with a range of services.

In the Horn of Africa, in Ethiopia in 2017, under the RESET II programme 47 210 people in the Bale area benefited from health and nutrition interventions while and more than 9 000 vulnerable individuals, particularly women and young people, have been engaged in income generation activities.

Reducing maternal and child mortality in Zambia

Context

Under-five mortality has dropped in Zambia by 61 % and infant mortality by 58 % between 1992 and 2014. These achievements have been made because of key public health interventions implemented by the Government of Zambia. However, progress on reducing maternal mortality has not kept pace and Zambia still has a high maternal mortality rate of 398/100 000 live births. This is the strategic motivation behind MDGi: to lower maternal mortality rates through improved health services, strengthening the national health system.

Objectives

- Improve maternal, neonatal and child health, as well as the nutritional status of women and children.
- Increased use of quality health and nutrition services by vulnerable women, adolescents and children in selected urban and rural districts - comprising 30 % of the population in Zambia - in the provinces of Lusaka and Copperbelt.

Impact

- ✓ A package of highly effective nutrition services, aligned to the national strategy, is available and used by the most vulnerable populations in all targeted districts.
- ✓ Increased availability of a continuum of maternal neonatal and child health and nutrition services of good quality.
- ✓ Increased knowledge, demand for services and cultural and geographical access to Maternal, New-born and Child Health services.
- ✓ Improved coverage and accessibility of adolescent and youth friendly services in the targeted districts.
- ✓ The capacity for planning, implementation and co-ordination of the Ministry of Community Development Mother and Child Health, the Ministry of Health, and other stakeholders at national, provincial and district level improved.

Connected through Technology: AfricaConnect2

Context

By having access to affordable high-speed broadband connectivity, students, academic staff and researchers have the opportunity to exchange and cooperate with their peers around the world. The project supports collaborative scientific research, which is greatly needed not only to catalyse innovation and economic growth, but also to address global challenges such as climate change and infectious diseases.

Objectives

- Through a EUR 20 million programme, the EU supports the establishment of an African e-infrastructure dedicated to education and research.
- By giving students, academic staff and researchers access to affordable, high-speed broadband connectivity, they now can exchange and collaborate with global peers.

Impact

- ✓ 670 higher education institutions and research centres will be connected in east and southern Africa.
- ✓ The programme is now being expanded to western and central Africa, where it is estimated that two million potential users will be reached in years to come.

Supporting Refugees and Hosts in Northern Uganda

Context

This project improves the living conditions of refugees and host-communities by enhancing food security, skills development, inter community dialogue and conflict prevention, and provision of basic services such as education, water and sanitation. Skills gaps related to the emerging settlement economy and green skill economy that can reduce environmental impacts due to the refugee crisis will be identified. Green skills will permit a transition towards climate-smart agricultural practices and include water management for irrigation, promotion of drought-resistant seeds, protection or restoration of biodiversity and ecosystems through the creation of kitchen garden and preferred use of green architecture/sustainable building.

Objectives

The aim is to improve livelihoods, food and nutrition security, to mitigate risks of further escalation of conflicts and to increase access to education:

- Improve food security, nutrition and livelihoods of the refugee population and host communities in a sustainable manner.
- Improve inter-community dialogue at local level and put in place conflict prevention mechanisms.
- Improve the level of education and increase, through skills development, medium and long-term economic opportunities for refugees and host communities.

Impact

- ✓ 6 000 MSMEs supported.
- ✓ 2 200 beneficiaries that have enhanced their skills through instant (10-100 hours) courses responding to identified skills gaps for green economy, livelihoods and settlement service delivery.
- ✓ 69 000 people receiving basic social services.
- ✓ 2 200 beneficiaries that participate in training in non-formal and formal Business, Technical, Vocational Education and Training (BTJET) and entrepreneurship training to enhance employable skills.

3.1.1.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.1.1.4.1 Implementation

In 2017, several projects have been adopted in Sub-Saharan Africa that aim at fighting environmental degradation, climate change, extreme weather, and natural or man-made disasters which can offset development gains and economic progress, especially for the poor. In Kenya, the programme 'Ending Drought Emergency: Support to Resilient Livelihoods and Drought Risk Management' with a EUR 30.5 million contribution will support communities in arid and semi-arid areas to become more resilient to drought and other effects of climate change. Similarly, the programme 'Support to the resilience of rural population in Djibouti' with a EUR 27 million contribution will improve water management in terms of availability and access to water in rural environments; increase agriculture production through the implementation of agro-pastoral perimeters and diversify revenues sources of vulnerable rural populations. Finally, the programme 'Building Resilience in Northern Somalia' (RESTORE 2 with a EUR 10 million contribution) will assist communities to recover from the impact of the severe drought in 2017 and increase the ability and capacity of relevant authorities and communities to prepare for and manage future climate-related shocks and disasters.

Through the West Africa Regional Indicative Programme, the EU is supporting the protection of ecosystems at regional level that are necessary for agriculture and water provision and therefore energy, maintaining security over large territories, reducing the migratory pressure, creating sustainable jobs, and protecting the biodiversity present in the region. In 2017, a regional programme of support natural resources (EUR 45 million) was approved, aimed at promoting a more effective conservation of biodiversity and fragile ecosystems and enhance resilience to climate change. The current programme covers deserts, savannas and mangroves, but a new component on forest conservation is being prepared for 2018. Central Africa is home to the Forests of the Congo Basin, the second largest tropical rainforest in the world. The EU approach to biodiversity conservation in Central Africa combines support to sustainable agriculture and (hydro) electricity,

with large expected benefits to the surrounding population in terms of job creation, inclusive growth and climate change mitigation. The Parks also often play an important role in improving security, also beneficial for economic activity. In 2017, the ECOFAC regional programme of EUR61 million received a EUR 10 million top-up, to further enhance the parks' capacity to conserve and protect biodiversity and enhance training at regional level.

With regard to sustainable energy, a programme 'Energy Efficiency Action Plan (EEAP)' with a EUR eight million contribution has been adopted with the objective to make the energy sector in Tanzania more sustainable, gender inclusive and climate smart.

Mozambique's Energy Project Preparation Facility (EUR 10.5 million) aims to strengthen energy stakeholders' capacity, improve the regulatory framework and boost public and private projects to reach financial close. This facility responds to the second and third pillar of the EU External Investment Plan and is expected to pave the way for quick investment ahead of the country's expected return to economic and financial stability. Support is also foreseen to the Minister of Environment and Rural Development in submitting a proposal to GCCA+ funds, for the finalisation of Mozambique's INDC, as required by the Paris Climate Change agreement, and the implementation of the local adaptation plans.

The Zambia-dedicated ElectrIFI window has a very strong PLANET dimension. The EU Delegation with EU Member States and European private sector investors is the strongest promoter of renewable energy in the country. The Agriculture programme, with its focus on climate smart agriculture, sustainable water management and building resilience of small-scale farming systems, as part of market and business-oriented approach, is also strongly aligned to the PLANET dimension.

In Mauritius, the Global Climate Change Alliance+ Financing Agreement signed in 2017 aims at addressing adaptation and mitigation measures against climate change targeting vulnerable small holders in the agriculture sector. The overall objective of the project is to increase the resilience and capacity of small holders to develop climate smart agriculture to reduce the consequences of extreme climate variability affecting production and productivity. Co-funded by the European Union (EUR 25 million grant) and France (EUR 22.5 million *Agence Française de Développement* (AFD) loan), the Zagtouli 33 MW photovoltaic power plant was launched in November 2017 in Burkina Faso. It is the biggest solar plant in West Africa connecting around 660 000 people to clean energy and providing 6 % of Burkina Faso's energy production. It will help to meet rising energy demands, while reducing carbon emissions, and lowering the costs of energy production. The huge new photovoltaic solar plant in Zagtouli features almost 130 000 solar panels, covering 60 hectares, and will save over 25 000 tons of CO₂ every year. The Commission services European Solar Test Installation (ESTI) was used successfully to verify the quality of a sample of the photovoltaic modules used in the plant.

In Niger, the EU is co-financing with AFD the construction of a hybrid power plant in Agadez (EUR 36 million, out of which a EUR 16 million is an EU grant). Located in a fragile region, hit by irregular migration and different types of trafficking, the plant will help to improve the living conditions of some 34 000 subscribers and create more than 230 direct jobs.

At the continental level, at the AU-EU Agriculture Ministerial Conference on 'Making Sustainable Agriculture a future for youth in Africa', held in July in Rome, Ministers from the African Union and European Union countries agreed to give new impetus to their joint efforts to improve investment in sustainable food production and job creation in Africa.

The Global Monitoring for Environment and Security (GMES) in Africa initiative seeks to promote sustainable management of natural resources through the use by policy makers of Earth Observation data (including Copernicus data). A support Programme for EUR 30 million kick-started in 2017. The programme includes grants for African research institutes to be managed by the AUC for EUR 21 million.

In 2017 a report was published describing a spatial analysis tool for assessing potential pathways towards a sustainable rural electrification plan. A demonstration application for Burkina Faso was done in collaboration between Commission services, the Energy Ministry of Burkina Faso, and the Centre for Renewable Energy and Energy Efficiency of the Economic Community of West African States (ECOWAS). In 2017, Commission services' scientific and technical support to the Covenant of Mayor (CoM) initiative was extended to Sub-Saharan Africa (SSA). Pilot projects were awarded to a first group of cities/municipalities including Kampala, Lubumbashi Dakar, Bouaké Communauté de Communes du Zou, Nouakchott, Tsévié. Commission services provided information and analyses on renewable energy sources in Africa via its Photovoltaics Geographical Information System (PV-GIS) and the Renewable Energy in Africa (RENAF) web platform, monitored the implementation of the Electrifi programme and performed country-specific analyses.

3.1.1.4.2. Thematic overview

Africa continues to be one of the regions most affected by climate change. The size of the continent and its varied geographic and climatic conditions make it impossible to develop a one-size-fits-all approach to address the challenge.

The continent is impacted by droughts in some areas but also by floods due to changing rainfall patterns. Modifications in the weather and climate calendar have deeply affected agricultural production and food security. Water is becoming an even rarer resource in important areas, in particular around the Sahel and Sahara zone, and also in Southern Africa.

The EU is supporting Africa through different actions including support to the African Group of Negotiators, a specific sub-Saharan African Disaster Risk Reduction programme in the framework of the Global Framework for Disaster Risk Reduction and the Global Climate Change Alliance (GCCA+).

One of the new GCCA+ actions, approved in 2017 for Mozambique will seek to build resilience to climate change at the local and provincial level and reinforce the Government of Mozambique's knowledge-based decision-making capacity in the management of the threats and challenges imposed by climate change, in line with the National System for Monitoring and Evaluation of Climate Change (SNAMMC) foreseen by the Paris Agreement.

About 22 % of Africa is forest and woodland, providing vital habitats for millions of species and important sources for water, food and energy. With deforestation presenting a real threat to sustainable development, the EU has developed a flagship initiative to address illegal logging and the associated trade: the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. In 2017, the EU supported FLEGT Voluntary Partnership Agreements (VPA) in Côte d'Ivoire, Gabon, and the Democratic Republic of the Congo (DRC), and coordinated VPA implementation in Ghana, Liberia, Central African Republic and Cameroon to improve forest governance and ensure that trade in timber is legal. This was complemented by actions to reinforce law enforcement at national level

(police, justice, customs). In addition, the EU supported Cameroon, Côte d'Ivoire, DRC and the Republic of the Congo in the implementation of zero-deforestation agriculture commitments by the public and private sector and the development or revision of forest policies.

With regards to biodiversity, EU intervention concentrated on supporting some of the major protected areas through a more integrated approach associating conservation, sustainable energy production, sustainable agriculture, and improved security. From Zakouma (Chad) to Salonga (DRC) and from Virunga (DRC) to Pendjari (Benin) EU support has been critical to maintaining ecosystems and ensuring better living conditions for the population. The EU also strengthened the capacities of local communities to combat wildlife trafficking, in particular in East Africa, since security conditions are drastically improved when the criminal networks jeopardising natural resources are dismantled.

Land degradation is a major environmental issue, with negative consequences on agriculture and livelihoods. The EU supports the Great Green Wall initiative, which aims to restore Africa's degraded landscapes. Specific actions were carried out in 2017 for instance aimed at strengthening sustainable land management structures, raising awareness, training people in local methodological tools, disseminating best practices and pilot testing of local investments to restore land.

In sub-Saharan Africa, the EU has focused on improving the resilience of smallholder farmers and has sought to boost rural livelihoods, mainly through support to sustainable agriculture. Currently land governance programmes promote the implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forest in 15 African countries. For example, in Angola, EU funded actions contributed to registration of land for more than 12 000 people in the Central Highlands and to the remobilisation of local cadastre offices. Gender equality receives particular attention. For example, in Namibia 40 % of land titles, issued with joint German and EU financial support, are registered in the name of women. In Malawi, the EU supports the sensitisation of local authorities and the public land administration in gender-sensitive registration of customary land. EU support to food and nutrition security and sustainable agriculture shows that the share of climate-relevant actions is approximately 33 %.

A growing population combined with the effects of climate change and unplanned urbanisation are creating tensions over resources notably on water. With 90 % of water in Africa falling within 63 international river basin catchments crossed by multiple borders, water management in the region is essential. The EU participates to the Cooperation in International Water in Africa (CIWA) Trust Fund that assists riparian governments in addressing constraints to cooperative water resources management and development. The Mekrou project ended in 2017 with the definition of a cross-border cooperation plan between Benin, Burkina Faso and Niger for the management and development of the Mekrou Basin. In addition, the EU supported the dialogue between partner countries to enhance the integrated use of water, energy and land avoiding trade-offs and maximising their value.

In the area of conflict minerals and a responsible supply chain thereof, and in compliance with the provisions of the new EU Regulation on Conflict Minerals⁹¹, the EU promoted an enhanced and progressive formalization of the Artisanal and Small-Scale Mining sector. The 3T&G action, conducted

⁹¹ Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas

in partnership with other downstream economic operators, is expected to increase socio-economic conditions of miners in Conflict Affected and High-Risk Areas through capacity building and adoption of responsible mining practices that mitigate the various circumstances of vulnerability.

In the area of gender, the EU is financing a EUR 10 million project aimed at promoting 'Women's Economic Empowerment' and financial inclusion in Sub-Saharan countries by improving access to suitable financial products and services, essential critical skills, digital enablers and capacity building services for financial institutions and end beneficiaries. By leveraging public and private resources through blending, the action also contributes towards defining scalable and replicable approaches in this area with other cooperation programmes such as EIP.

In 2017 activities and preparatory work started for the EUR 19.2 million programme Promoting Responsible Value Chains in the Cotton and Garment Sector with a focus on Decent Work and Transparency/Traceability. Workers, particularly women and girls, benefit of better working conditions and safer workplaces. In Burkina Faso and Mali child labour and forced labour are also addressed particularly in the cotton production.

3.1.1.4.3. Case studies: Planet

<p>Protecting wildlife, supporting livelihoods in Chad</p> <p>Context Zakouma National Park is one of the last remaining intact Sudano-Sahelian ecosystems in Africa. The park was founded in 1963 by the Chadian Government and the EU has supported the park for over 15 years. It became a public-private partnership in 2010 run by African Parks Network and the Chadian Government.</p> <p>Objective</p> <ul style="list-style-type: none">• To support the management of the Zakouma National Park. <p>Impact</p> <ul style="list-style-type: none">✓ There has been only one poaching incident in the park since 2011 and the population is increasing with new-born elephant calves observed for the first time in many years; 40 have been born since 2013.✓ A new village radio system was set-up and has improved communication links between the park and its neighbours.✓ A camp ground is available for Chadian nationals free of charge and for school groups on environmental field trips.✓ The park helps to provide for the social, education and health needs of the local communities. A school building programme began in 2013, with seven schools planned over a five-year period. More children attend school now, and people's quality of life has improved thanks to the provision of healthcare.

Creating Resilience and Economic Opportunities in Ethiopia

Context

Dehana woreda, in Wag Hemra zone, Amhara region is located 800 km from the capital city. To reach Dehana you need to travel through the northern mountainous part of the country for two and half days. The area is known for its degraded, steep and stony mountains. Farmers in the area have been struggling for decades to grow crops in the area and each year shortage of rain makes the existing problem worse. Above all, studies show that Wag Hemra zone is highly affected by malnourishment. Therefore, Danchurchaid introduced Quinoa to Ethiopia with the intention of fighting malnourishment through the introduction of this drought-resistant crop.

Objective

- The introduction of Quinoa four years ago aimed to address two big challenges: malnutrition and drought. The crop known in the world as a 'super food' contains all the essential food items that are important for growth, which are not found in other grains. Furthermore, it only requires a small amount of rainfall to grow.

Impact

- ✓ The project targets 600 farmers in total. During the first year of the project, 200 farmers were selected and were provided with a total of 40 kg of quinoa.
- ✓ Furthermore, a training on how to grow and harvest quinoa was given to all the 200 farmers.
- ✓ In the second phase, the project will buy back the seeds harvested by the 200 farmers, which will be distributed to the remaining 400 targeted farmers.

3.1.1.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.1.1.5.1 *Implementation*

A number of programmes in Sub-Saharan Africa approved in 2017 have focused on creating decent jobs, particularly for women and youth, a key element for inclusive and sustainable growth. For example, the programme 'EU-Coffee Action for Ethiopia' (EUR 15 million contribution) will increase incomes among Ethiopian smallholder coffee growers and processors through enhanced productivity, quality, and market integration, with a special attention to environmentally and climate change sustainable practices. The programme 'Leather Initiative for Sustainable Employment Creation (LISEC) in Ethiopia' (EUR 15 million contribution) will create greater economic and decent employment opportunities, especially for young men and women through the development of the Ethiopian leather industry and the Modjo leather industrial park. In Tanzania, the programme 'Agri-Connect: Supporting value chains for shared prosperity' (EUR 100 million contribution) will generate agricultural wealth, by linking farmers to markets and value chains; and improving food and nutrition security, through improved access, availability, and use of food. In the same country, the programme 'Strengthening the resilience of refugees and their host communities in Kigoma Region by creating economic hubs and employment opportunities' (EUR 5 million contribution) will develop three to five multi-functional market places strategically located in the host communities close to the refugee camps. In Sudan, the programme 'Fostering Smallholder Capacities and Access to Markets in Food Insecure Areas of Darfur' (EUR eight million contribution) will increase household food availability by reducing pre-farm gate losses, empower smallholders to sell surplus grain at higher prices and strengthen capacity of smallholders and farmer's groups to access markets and value chains.

Investment, job creation and inclusive growth remained key objectives of EU partnership with West Africa where more than EUR 500 million was mobilised and leveraged almost EUR 3.8 billion of total investments in transport and energy projects.

The West Africa Regional Competitiveness Programme to support the competitiveness of the region via support to value chains development and improvement of the business climate was launched, together with a programme to promote trade facilitation and another to facilitate fiscal reform.

The EU Trust Fund for Africa (EUTF) also provided support to projects aimed at strengthening job creation, focusing on the one hand on bridging skills gap, financial education and encouraging saving schemes while stimulating entrepreneurship and on the other hand on boosting market access, integrated value chain and improving innovative digital financial services. In the Sahel region, to date a total of 23 projects in nine countries have been adopted for EUR 383.68 million and the majority has started being implemented. Through budget support (with more than EUR 600 million disbursed in 2017 for West and Central Africa), macroeconomic and public finance reforms, preconditions for sustainable economic transformation, and value chains development to deliver inclusive growth for poverty reduction were supported. Over the same period, around EUR 150 million were mobilised in the Central Africa region through blending for transport, digitalisation and energy projects.

In Cameroun, one of the economic locomotives of Central Africa, and the only country in the region that ratified the interim Economic Partnership Agreement (i-EPA), the EU committed several programmes for a total amount of EUR 133.85 million, including a first EUR 96 million Budget Support (Sector Reform Contract) on rural development for 10 years. In Rwanda, the implementation of two important sector reform contracts (in the energy and agriculture sectors) continued, further strengthening the economic base of this fast-growing country.

The successful social protection programme in Lesotho was reinforced with additional EUR 1.6 million for the expansion of the national database NISSA. Evidence shows that the impact of an efficient and effective social protection programme is a stimulus to growth, in particular in rural communities.

In Mozambique, the EU in coordination with the Ministry of Industry and Trade worked on the National EPA Implementation Plan, including EPA Compliance Measures; EPA related business environment actions; further support to trade facilitation reforms, related to the WTO Trade Facilitation Agreement; Value-chains; Trade & Private Sector Dialogue and Communication activities. In Swaziland, the implementation of the programme 'Horticulture and High Value Crops' was accelerated to further strengthen the institutional capacity of the Ministry of Agriculture, NSA and other relevant stakeholders in ways that specifically improve the investment and business environment of Swazi agriculture.

In Malawi, the EUR 100 million 'Kulima programme on sustainable agriculture and agricultural growth' was launched and the regional programme allocation was mobilised for two key enablers: the rehabilitation of M1 Corridor and the interconnector of Mozambique and Malawi.

For Madagascar blending investment operations under the Africa Finance & Investment Forum (AFIF) with the EIB and AFD for a total EU grant contribution of EUR 96 million in NIP and EUR 31 million in RIP funding were signed. The upgrade of the national roads RN6 and RN13 will improve transport connections in the northern and southern parts of the country, notably linking up to the two ports, which will help to improve the business environment and economic development, as well as access for the population to basic services. Other projects include improvements of water and sanitation infrastructure in and around the capital, the completion of the strategic Ring road around the capital Antananarivo, and the rehabilitation of key infrastructures for improved sanitation and the prevention of floods in the capital. In Zambia, support was provided to inclusive agricultural value chains and sustainable commercialisation of smallholder farmers, as part of a comprehensive programme (EUR 97 million). Sustainable and responsible agribusiness development are supported through AgriFI and blending with EDFI. In addition, the Zambia-dedicated window under *ElectriFI* (EUR 40 million also part of AAP 2017) aims to bridge the gaps in financing of sustainable clean energy investments which are recognised as some of the key constraints for renewable energy expansion.

As part of the Pan-African Programme, the Commission allocated close to EUR 100 million for a series of initiatives that are expected to spur private investments, provide technical assistance and enhance the African business environment. Projects approved include legal and judicial development, customs, safety in aviation and Information and Communications Technology (ICT) infrastructure, as well as contributions to infrastructure projects with a pan-African dimension to be funded through the African Investment Facility.

3.1.1.5.2. *Thematic overview*

Both new programmes and disbursements for ongoing programmes in agriculture and rural development in sub-Saharan Africa were again on the rise in 2017. The EU for instance contributed EUR 30 million to the African Agriculture Trade and Investment Fund through AgriFI. This contribution will be used to acquire first-loss C-shares, allowing the Fund to attract more funding for A and B shares, which receive higher returns. In this way the total size of the investment fund will increase, allowing the portfolio to invest in more smallholders and agri-businesses in Africa. Also in Africa, the EU supports the Farmers' Africa capacity building programme that aims to improve the livelihoods and food security of rural producers in Africa. For example, in Uganda, the introduction of new cassava varieties which has allowed farmers to increase their productivity from three tons per acre to eight to ten tons per acre, with farmers subsequently recording increases in income from the sale of cassava from USD 115 to USD 509 (343 %) per year.

In sub-Saharan Africa, 60 % of the people (more than 600 million) do not have access to electricity. In rural areas only 10 % have access to power. Despite rapid progress in several countries, the electrification of the continent is not keeping up with population growth. Remote rural areas are the biggest challenge. The high costs of connecting them to the grid and the risks for companies to invest in off-grid solutions (such as mini-grids or local grids) often leave them behind without basic energy services.

Traditional development aid (grants) is not sufficient to address this challenge and meet the 2030 Agenda objectives and the SDG 7 of universal access to sustainable energy. The EU is therefore proposing new ways to stimulate and de-risk private sector investments.

As part of EU's 'Energise Africa' strategy, the EU supports the Africa-owned and led African Renewable Energy Initiative (AREI). 19 projects with an estimated EU support of EUR 315 million have already been adopted by the AREI Board. This support is expected to leverage total investments amounting to EUR 3.9 billion, cover the needs to some 1.3 million families and add 1.8 GW of renewable energy generation.

A successful example of this new approach is the recently inaugurated Tororo Solar Plant in Uganda. An EU grant of EUR 7.08 million leveraged USD 14.7 million of public loans (from the Dutch Development Bank FMO and the UK's Emerging Africa Investment Fund), which in turn triggered USD 4.9 million in private equity. The Tororo Solar Plant is expected to provide electricity to 36 200 households and businesses.

The ElectrIFI supported investment of Azuri Technologies in Kenya will contribute to expand the off-grid energy sector by providing of PayGo solar home systems to 25 000 households, providing access to electricity for 125 000 people.

In November 2017 at the EU Africa Business Forum in Abidjan in Cote d'Ivoire, the EU brought together African and European public and private sector representatives to discuss ways of boosting investments in sustainable energy.

In the area of gender, the EU is financing a EUR 10 million project aimed at promoting 'Women's Economic Empowerment' and financial inclusion in Sub-Saharan countries by improving access to suitable financial products and services, essential critical skills, digital enablers and capacity building services for financial institutions and end beneficiaries. By leveraging public and private resources

through blending, the action also contributes towards defining scalable and replicable approaches in this area with other cooperation programmes such as EIP.

In 2017 activities and preparatory work started for the EUR 19.2 million programme Promoting Responsible Value Chains in the Cotton and Garment Sector with a focus on Decent Work and Transparency/Traceability. Workers, particularly women and girls, benefit of better working conditions and safer workplaces. In Burkina Faso and Mali child labour and forced labour are also addressed particularly in the cotton production.

The provision of efficient transport infrastructure modes is widely considered as the main instrument for sustainable socio-economic development and job creation with rural, national, regional and intra-regional dimensions. In 2017, the EU provided support under the African investment Facility and Infrastructure Trust Fund (in total, 10 projects for EUR 440 million with the EU contribution leveraging EUR 1 995 million).

The EU is leading the coordination and management of the JAES infrastructure agenda in the framework of the 'Reference Group on Infrastructure' established under the 2014-2017 JAES Roadmap.

3.1.1.5.3. Case studies: Prosperity

Self-managed solar power in Ivory Coast

Context

The Zanzan region is the most electrified in Côte d'Ivoire. The villages chosen for the project were not scheduled to be connected to the national grid within 10 years. In the seven villages targeted, the only sources of energy available were wood fires, flashlights and storm lamps. The only health centre in the village of Kakpin was without electricity and faced problems with the refrigerated storage of medicines to treat patients. Citizens also had safety issues during the night.

Objectives

- Improvement of the quality of life and settlement of the inhabitants.
- Implementation of hybrid photovoltaic generation micro-grids.
- Development of productive capacities within the villages.
- Sustainability of the system through effective, sustainable and participatory management and the creation and training of a local body for specialised maintenance.
- Establishment of an easily replicable model in rural areas of Côte d'Ivoire.

Impact

- ✓ The populations of the seven villages of the Zanzan region (Boudou, Kapé, Solokaye, Kromambira, Zamou, Gansé, Kakpin) now have access to electricity.
- ✓ A public lighting network was built in each village, as was the connection to the electricity network of the Kakpin Village Health Centre and primary schools.
- ✓ A management system by local associations has been put in place and is functional.
- ✓ Income-generating activities have been created including selling cold drinks, selling fish, and recharging mobile phone batteries.

Conflict Prevention, Peace and Economic Opportunities for the Youth

Context

This project contributes to increased peace, stability and inclusive economic opportunities for youths in marginalised areas in Kenya.

Objective

To enhance understanding of sources of conflict and exclusion, leading to informed policy and interventions which identify means of addressing development needs and grievances

- To provide youths with skills which can be used to improve employment and prospects.
- To strengthen capacity to manage and prevent conflict and improve trust between the state and communities.
- To empower smallholder farmers by enhancing access to better market opportunities in selected value chains and enhancing the resilience of farming systems.

Impact

- ✓ 5 799 jobs created
- ✓ 9 280 people benefiting from professional trainings (TVET) and/or skills development.
- ✓ 5 040 people participating in conflict prevention and peace building activities.
- ✓ 22 000 people assisted to develop economic income-generating activities.
- ✓ 730 staff from governmental institutions and internal security forces trained.

3.1.1.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.1.1.6.1 Implementation

Strengthening Resilience, Peace, Security and Governance is one of the four common strategic priorities agreed by the African and European Heads of State and Government at the 5th AU – EU Summit held in Abidjan (Côte d'Ivoire) on 29-30 November 2017. Acknowledging that Africa and the EU face common security threats and the need to address their root causes, leaders agreed on the principle of developing a framework document which will put the partnership on peace and security on a more solid and structured basis. They also reiterated their commitment to the implementation of the African Peace and Security Architecture (APSA).

Building on the new European Consensus on Development and on the EU Global Strategy, cooperation in the area of peace and security continued to be at the core of the Africa-EU Partnership in 2017. The 2017-2018 Action Programme of the African Peace Facility (APF) was approved with a commitment of EUR 535 million. It provided substantial support to finance African-

led Peace Operations, such as the G5 Sahel Joint Force, the AU mission in Somalia (AMISOM) and the ECOWAS mission in the Gambia (ECOMIG). Under its Early Response Mechanism (ERM), the APF contributed to ensure stability and prevent violence. Examples include the successful transition of power in the Gambia and the peaceful presidential electoral process in Liberia. The APF also contributed to reinforce the APSA under the three years (2016-2018) APSA support programme amounting more than EUR 28 million and covering activities related to conflict prevention and early warning, crisis management and conflict resolution including the African stand by force and mediation, Post conflict, reconstruction and development, strategic issues. The programme benefitted the AU Commission and eight regional economic communities/Regional mechanisms.

At regional and bilateral level, during 2017, Resilience, Peace, Security and Governance were strategic priorities particularly in the fragile West and Central Africa regions. G5 Sahel remained the focus of EU interventions. In Mali, several projects to improve security, governance, and the resilience of affected citizens in the whole country were committed. The security-development nexus was fully in play with two complementary programmes under the EU Trust Fund for Africa (EUTF): PARSEC (EUR 29 million to reinforce the security of Mopti and Gao regions as well as border management) and PROJES (EUR30 million to enhance resilience of the population, to restore the access to basic services and foster economic development). The EU strategy in Niger continued to be based on three main pillars/nexuses: (i) security-migration with the start of implementation of EUTF projects (*joint investigation team, GAR-SI, OIM partnership*), (ii) security-development with security projects and budgetary support (*AJUSEN*) to pure development projects and budgetary support for food security (*CRS SANAD*), jobs creation and professional training, and infrastructures (e.g. hybrid power plans in Agadez and Gorou Banda), (iii) humanitarian-development through CRS SANAD, as well as a joint project in Diffa with financial contributions Commission services of EUR 11 million. Burkina Faso suffered from an increased insecurity and terrorism threats in 2017. The EU's response targeted the security and development challenges of the country through a package of EUR 76 million from the EU Trust Fund for Africa that included a Budget Support programme (EUR 50 million) to implement the Emergency Programme for the Sahel and two initiatives to prevent violent extremism and support youth through dialogue and education. Moreover, the EU supported the operationalisation of the G5 Sahel Joint Force created by five states of the Sahel region (Mauritania, Mali, Burkina Faso, Niger and Chad) in 2017 to fight terrorism, organized crime, cross-border and human trafficking in the cross-border regions. Security threats around the Lake Chad persisted, with the activity of the Boko Haram group, and required both direct security interventions (EUR50 million support provided through the African Peace Facility to the Multinational Joint Task Force - MNJTF) as well as resilience-enhancing programmes for the communities around the Lake. The EU comprehensive/integrated approach remained fully relevant and at play in the whole of the Central Africa region, deploying the full set of instruments at its disposal, from humanitarian to early recovery and stabilisation, to development. The internal coordination efforts started to bear fruit, with an enhanced coherence of overall approach, avoiding duplication among EU instruments and ensuring their synergies and complementarities. While the security situation has somewhat worsened in both CAR and the Democratic Republic of Congo (DRC), a new African Union 'Peace Initiative' has been put forward, supported by the EU. In DRC, the Commission adjusted its cooperation in the governance sector (justice and police projects have been on hold since 2016) and a EUR 20 million elections support programme was finally adopted in December 2017, showing

readiness to support elections as the only pathway for the resolution of the crisis once conditions are met.

Programmes approved in 2017 for Sub-Saharan African countries also focused on good governance, democracy and the rule of law. In Uganda, a Sector Reform Contract 'Justice and Accountability Reform' programme with a EUR 66 million contribution will contribute to improve governance in the areas of (i) public service delivery, (ii) strategic allocation and efficient use of public resources, (iii) domestic resource mobilisation, (iv) fight against corruption, and (v) increased transparency. In Tanzania, the programme 'Improving accountability through fighting corruption and increased access to justice in Tanzania (IMPACT)' (with a EUR 15 million contribution) will improve the effectiveness of national anti-corruption institutions and increase access to justice for all, in particular for women. At regional level, the programme '*Promoting Peace And Stability In The Horn Of Africa Region*' (with a EUR 40 million contribution) will support the process of achieving sustainable peace, security and stability for the attainment of economic integration and development of the region. Finally, the programme 'Enhancing security and the rule of law in Somalia' (with a EUR 40 million contribution) will increase the presence and efficacy of police throughout the Federal Member States whilst at the same time connecting this increased law enforcement to a more accessible, reliable and competent justice provision.

In Lesotho, a programme of EUR 4.5 million was decided to ensure better accountability through advocacy and a better-informed citizenship through civil society. In Malawi, there has been a very active Public Finance Management (PFM) policy dialogue. In terms of democratic governance, the EU has also been leading the policy dialogue on electoral reforms through the Electoral follow up mission and its contribution to the National registration process that enabled nine million Malawians to obtain an ID card.

In Namibia, the EIDHR has been instrumental to implement the Human Rights and Democracy Country Strategy (HRDCS). The entire envelope of the AAP 2017 for Namibia was contracted to implement projects in the areas of gender and women's rights and cultural rights.

For Madagascar a second State Building Contract (SBC II, worth EUR 30 million) was approved, due to the persistent fragility of the country and notably in order to ensure continuity of the efforts in the area of PFM, anti-corruption and social service spending. This was complemented by a programme to strengthen the capacities of Civil Society in their Government oversight function, building on the achievements under the 10th EDF (DINIKA II, EUR eight million). Under the Instrument contributing to Stability and Peace (IcSP) an Article 4c project (EUR one million) on the prevention and management of potential conflict and violence linked to elections was also approved in 2017.

In Zambia, the new 11th EDF PFM programme (EUR 17 million) focuses on improving accountability, transparency and effectiveness in management of public resources and domestic revenue mobilisation. This programme will directly contribute to the implementation of the Economic Recovery Programme of the Government of Zambia both on the expenditure and the revenue side. The programme also targets the strengthening of oversight institutions (National Assembly and Office of the Auditor General) and the improvement of operations of the Anti-Corruption Commission.

3.1.1.6.2. Crisis response and preparedness

Through the Instrument contributing to Stability and Peace (IcSP), and previously the Instrument for Stability (IFS), the EU has contributed to the police reform process in Guinea Conakry since 2013 through a focused support on community policing revolving around three main areas of intervention: police-community relations, professionalisation of pilot police stations and institutional support to the Ministry of Interior. Furthermore, a new measure for Guinea has been adopted in December 2017 to tackle a growing risk of radicalisation in Guinea and the fight against impunity. The two projects, which will start in 2018, will seek to support institutional and community actors to prevent radicalisation in different localities of the Basse, Moyenne and Haute Guinée regions and to support victims in the trials of the 28 September 2009 events.

In Côte d'Ivoire through the IcSP the EU is supporting institutional efforts to implement the national security strategy with a specific focus on intelligence services coordination and operational capacities to better anticipate and respond to security risks revolving around radicalisation, in full respect of Human Rights obligations. The EU contribution to prevention of radicalisation and peacebuilding in Côte d'Ivoire is also achieved through an engagement with vulnerable and marginalised youth to support their socio-professional reintegration, by supporting the Ministry of Education in the implementation of their strategy of integration of koranic schools in the mainstream education system and through initiatives to promote a culture of peace, social cohesion and the prevention of conflicts. The third area of IcSP engagement in the security sector aims to strengthen border management capacities by supporting the development of a national migration strategy as well as the border management operations in the northern border areas through rehabilitation and construction of border posts and capacity building on border surveillance.

The EU supports the Kimberley Process Certification Scheme (KPCS) and a Regional Approach to compliance in the Mano River Union (MRU) by supporting efforts by the MRU Governments, the MRU Secretariat and international partners to strengthen the implementation of the KPCS through regional collaboration. In Côte d'Ivoire, EU engagement intends to assist the Ivorian Government to comply with the minimum KPCS requirements. The project's strategic objective is to increase the percentage of diamonds entering the legal chain of custody while improving the livelihoods of artisanal diamond communities.

In response to the ongoing humanitarian crisis and the deteriorating security situation in the Democratic Republic of the Congo, five new Instrument contributing to Stability and Peace (IcSP) actions started their activities in 2017 in addition to three already ongoing initiatives. Furthermore, in view of the government's announcement to hold overdue presidential, legislative and provincial elections in 2018, the IcSP supported the National Episcopal Conference of Congo, the broker of the 2016 political Saint-Sylvestre agreement, in preventing violence linked to the electoral process, as well as monitoring related human rights violations nationwide. In Kivu, the IcSP has contributed to empowering young people of different social and religious origins as leaders of change within their communities. Moreover, support was given to Burundi refugees and their host communities in South Kivu to enhance mutual understanding and improve social cohesion. In Uelés, the IcSP supported the strengthening of youth involvement in conflict prevention, which has empowered young mediators to successfully resolve conflicts within their respective communities. In 2017, efforts continued in support of a nationwide Disarmament, Demobilisation and Reintegration programme, the return of refugees and displaced people to North Kivu, as well as building capacities for military justice to

prosecute war crimes and crimes against humanity committed in the Kasai and East of the country. The latter has made a significant contribution to setting a strong signal against impunity by strengthening the capacity of the military courts, which then tried and convicted 11 militiamen and a provincial Member of Parliament for crimes against humanity, for raping and murdering 38 children in Kavumu between 2013 and 2016.

In Burundi, throughout 2017, the IcSP continued two initiatives in support of internally displaced people, refugees, returnees and host communities aimed at reinforcing the social cohesion and stability among affected populations. Moreover, three new IcSP initiatives were launched in 2017 with the objective of empowering deprived adolescents by creating access to employment and strengthening the technical and educational capacities of communities. IcSP's support to the socio-economic integration of young people at risk, as well as its contribution to the social cohesion and stabilisation of displaced people and their host communities is considered a significant contribution to conflict prevention.

The EU, through the Instrument contributing to Stability and Peace (IcSP), has been heavily engaged in the Sahel region in 2017, as a response to the different aspects of the regional crisis.

In Mali, IcSP interventions focused on support to the Mali Peace Process through the *Comité de suivi de l'Accord* (CSA) together with the EU political dialogue and the European Union Special Representatives (EUSR)), strengthening citizen dialogue and the media, reinforcing the State authority and the local economy in the northern areas, and supporting the State capacity in crisis response, in cooperation with the EU Capacity Building Mission (EUCAP) Mali and in synergy with EU Trust Fund programmes.

The IcSP also contributed to the response to the threat posed by Boko Haram in Niger and Chad, with substantial security, resilience and counter-terrorism/countering violent extremism programmes targeting former Boko Haram combatants and vulnerable communities. In Niger, a recently adopted IcSP programme also includes a mediation dialogue component to reduce potential tensions along the migration routes, contributing to the stabilisation of northern and south-eastern regions in Niger (Diffa, Agadez, Zinder), with a particular focus on the support and better integration of the different Toubou communities. In Chad a project was implemented to support the resilience of communities in the Lake region and by increasing the State presence on lake and river security. The IcSP support to the river police is complemented by the EUTF programme supporting the *gendarmerie*, both working in close synergy.

In Burkina Faso, a programme on security sector reform (SSR) is also underway, preparing the ground for more structural support in this sector. In Senegal through the IcSP, the EU has been supporting a conflict resolution process in the Casamance region since 2014. The project aims to provide a logistical and operational support to the negotiation process between armed forces, a technical support to provide necessary expertise to inform the negotiations, and a support to the training and reintegration of former combatants.

Lastly, through the IcSP, the EU has supported the transition process in The Gambia by contributing to the organisation of peaceful elections and political dialogue, the project aimed to improve the functioning, transparency and credibility of the Gambian elections. Training sessions have been organised across the country's administrative capitals to enhance the performance and discipline of almost 6 300 polling staff. Some technical and financial support was also provided to the

Independent Electoral Commission (IEC) for the logistics of the election organisation. Voter education has been carried out across the wider Gambian population, ensuring that all registered voters have a basic understanding and appreciation of the electoral process and governance framework. Finally, technical and financial support to the CSO Coalition on Elections was provided for domestic observation and monitoring. Another initiative aimed at supporting mechanisms for dialogue in The Gambia for a credible and constructive parliamentary election process and to build a space for political dialogue within the government and across political parties after the election, following this initial engagement, a measure was adopted in December 2017 to support the launch of a deep and inclusive SSR process in The Gambia.

In Somalia, the IcSP interventions contributed to bringing stability, peace and to building a federal Somalia through inclusive political processes including at local level, establishing unified, capable, accountable and rights-based federal security and justice institutions. Specifically, in 2017 the IcSP focused on supporting Interim Regional Administrations through the formation of District Authorities in South-West: Central Regions Administration and Jubaland, successfully supporting state formation via support to Intergovernmental Authority on Development in South west and Hirshebelle states. Support to the Somalia Stability Fund included rehabilitation or construction of government buildings, supporting constructive political confidence building process between the Federal Government of Somali and Somaliland to strengthen mutual cooperation. On Countering Violent Extremism (CVE), continued support to the Global Centre allowed strengthening of the capacity and accountability of Somali state security institutions, especially in terms of their accountability and oversight. An IcSP action jointly identified with the EU Capacity Building Mission in Somalia supported the setting up of an operational base, provided essential equipment and built capacity through specialised training for the Maritime Police Unit contributing to the Comprehensive Approach to Security.

Through IcSP, the EU supported Ethiopia on the Early Recovery and Socio-Economic Stability of the drought caused by El Niño. Short- to medium-term stabilisation is sought by helping the most severely affected communities to preserve and restore their productive capacity and resilience to shocks as a necessary step to rebuild an autonomous and peaceful co-existence and to prevent forced displacement.

IcSP supported rehabilitation, reconstruction and confidence-building in areas directly affected by the conflict in South Sudan (Unity, Upper Nile, Jonglei, as well as the Wunlit triangle regions) with dialogue activities focusing on resolving conflicts peacefully, initiatives toward ensuring more equitable access to natural resources and more informed and transparent community management of these resources.

In Sudan, a programme is broadening political dialogue and engagement on constitutional reform. Support will be provided for children being released by Government of Sudan forces as well as armed groups in the Darfur, South Kordofan and Blue Nile states.

At regional level, in the Horn of Africa, IcSP supported the governments of Somalia, Kenya and Ethiopia to prevent and mitigate violent extremism by mobilising practitioners from countries with similar experiences to share knowledge and develop activities with both political and technical partners on preventing violent extremism (PVE).

The Global Conflict Risk Index, an index of the statistical risk of violent conflict in the next one to four years was developed, in cooperation with the EEAS, to provide an accessible, objective and open-source evidence base to support decision-making on long-term conflict risks.

UN-Habitat and Commission services have been jointly analysing the Syria crisis' evolution to support humanitarian and development actors to respond more effectively to this complicated and dynamic urban reality. Through the GHSL, urban information and analysis on Syria is provided to better plan, target and monitor humanitarian and recovery interventions, and, when conditions allow, to contribute to a Post Conflict Needs Assessments (PCNA) for reconstruction.

During 2017, several national and regional INFORM models were developed with local partners to build local capacity for risk assessment, in particular for West Africa, East Africa, South America, Central Asia and Caucasus. This index aims to harmonise the approach to disaster risk management across humanitarian actors by providing a global index of disaster risk at country, regional and sub-national levels. In the framework of EIOS project, Commission services developed a combined global epidemic intelligence system which intends to provide state of the art epidemic intelligence tools to participating organisations, extend and improve the capabilities of WHO and Member States and promote the 'One Health' concept through facilitating collaboration with plant health and animal health agencies. In 2017, a number of international organisations joined the initiative, including the Food and Agriculture Organisation (FAO), World Organisation for Animal Health (OIE) and the Africa Centres for Disease Control and Prevention (Africa CDC). During 2017, the continental Early Warning System (CEWS), a joint initiative with the African Union (AU) Peace and Security Division has delivered considerable benefits to the AU in its task of informing decision-making by detecting, monitoring, classifying and reporting on events of socio-political importance on the African Continent. In 2017, a suite of tools for media monitoring had been created, tailored to the African continent and new work has been implemented to develop and operationalise the Conflict Alerting and Analysis System (CAAS), the next version of which will be delivered in 2018.

3.1.1.6.3. Thematic Overview

The human rights situation and the shrinking space of civil society remained a challenge in Sub-Saharan Africa in 2017. 23 countries in Sub-Saharan Africa were considered 'Not Free', of which six were scoring particularly low on civil and political rights on a global scale (Central African Republic, Equatorial Guinea, Eritrea, Somalia, South Sudan, and Sudan). Deterioration was reported in several countries, including in Cameroon and Tanzania. Human Rights Defenders (HRDs) faced violations in various forms such as judicial harassment, detention and killings. Attacks against pro-democracy movements and dissolution of civil society organisations were also reported. In order to respond to these worrisome developments, the EIDHR supported nearly 300 human rights and democracy actions in Sub-Saharan Africa in 2017 amounting to EUR 87 million. Supported actions addressed *inter alia* women's and girls' rights, children's rights, support to human rights defenders, democracy and governance support, freedom of expression, environmental and land rights, and fight against torture, ill-treatment and the death penalty. In addition, more than 130 individual African human rights defenders in risk received an emergency grant and immediate support from the EIDHR Human Rights Defenders schemes.

Resilience is put in practice firstly, by addressing the five dimensions of risks and related fragility which are covered through thematic and geographic programming; secondly, with the effective launch of a pilot process to test the broader nexus of humanitarian, development and the related diplomatic and security aspects in six pilot countries (which include four from ACP: Chad, Nigeria, Sudan, Uganda) with processes for a shared assessment of fragilities, analysis of gaps and suggested actions, engagement with EU Member States, and other donor and partners. This nexus is intended to be generalised to all the fragile countries in a later stage following that pilot process. Thirdly, with the continued implementation of the 'Commission Action Plan for Resilience in Crisis Prone Countries' which includes the publication of eight case studies on operationalising the strategic approach to resilience such as the Global Alliance for Resilience in the Sahel and West Africa (AGIR), EU resilience building in Ethiopia (RESET), Drought Contingency Fund (DCF) in Kenya, Strengthening resilience to food and nutrition insecurity in Northern Mali, Pro-Resilience Action (PRO-ACT), Sector reform contraction on food and nutrition security and sustainable agriculture in Senegal and Supporting the Horn of Africa's resilience (SHARE).

Several conflicts analyses were organised in 2017, including for Burundi and Central Mali, and a workshop in Ethiopia. A Recovery and Peace Building Assessment was also concluded on the Northern and Eastern parts of Cameroon. Significant demining actions have also been set up in Chad, via the EU Trust Fund for Africa.

In October 2017, the Africa Frontex Intelligence Community Cross-Border Crime Project was launched with the overall objective to contribute to the reduction of illegal migration attributable to migrant smuggling (including associated organised crime and terrorism networks). This will be achieved through enhanced interregional information sharing, improved operational cooperation, and increased risk analysis. There will be interagency Risk Analysis Cells implemented in eight countries. These are anticipated to be: Gambia, Ghana, Guinea, Kenya Mali, Niger, Nigeria, and Senegal.

The Gulf of Guinea Inter-Regional Network (GoGIN) aims to improve safety and maritime security in the Gulf of Guinea, notably by supporting the establishment of an effective and technically efficient regional information sharing network. In 2017, the Kingdom of Denmark decided to support the project with a top-up of DKK 13 million, illustrating good practice in development coordination policy.

3.1.1.6.4. Case studies: Peace

<p>Women engage with peace and security in northern Nigeria</p> <p>Context Women are usually the most affected by violent conflicts but are largely excluded from peace-building and conflict resolution processes due to factors like patriarchy, ignorance and other socio-cultural impediments. This project seeks to empower women mentors who will participate in peace-building processes in their communities as well as transfer the knowledge gained to other women.</p> <p>Objectives</p> <ul style="list-style-type: none">• Enhance a conducive environment for implementation of UN Security Council Resolution (UNSCR) 1325 at the national level and in selected states, Local Government Areas (LGAs) and
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Wards

- Increase access to reporting mechanisms and protective services for girls and women affected by human rights abuses, including gender-based violence (GBV), in three states of northern Nigeria.
- Gendered design and implementation of peace architecture, including forums for dialogue, early warning systems and rapid response mechanisms for conflict resolution.
- Enhanced community peace-making capacities of women.
- Improved local capacity to monitor report and document human rights situations affecting girls and women in four States in Northern Nigeria as well as improved response to specific needs/concerns of vulnerable women and girls.
- Selective, participatory social mobilisation (review of social norms) developed and implemented to prevent and mitigate risks and threats of gender-based violence in conflict context.

Impact

- ✓ Mentoring beneficiaries are currently facilitating various forms of conflict prevention and peace-building initiatives, including dialogue, trust-building, reconciliation and mediation.
- ✓ Reduction in conflicts over land ownership between members of Kaltungo and Billiri communities in Gombe State.
- ✓ Reduction in cases of sexual harassment/rape of women and girls in Kindiyo Community of Balanga LGA as a direct effect of a peaceful demonstration organised by the women peace mentors.
- ✓ After the massive demonstration which drew the attention of local authorities and community members on the increasing cases of gender-based violence (GBV), various hangout spots for the sale of illegal drugs and substances were identified and shut down.

3.1.1.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.1.1.7.1 *Implementation*

AU-EU relations

The 5th AU-EU Summit took place in Abidjan on 29-30 November 2017 under the theme ‘Investing in Youth for a Sustainable Future’. The African and European Leaders adopted a political declaration comprising a set of strategic priorities, namely investing in people; strengthening resilience, peace, security and governance; migration and mobility; and mobilising investments and mandated the European and African Union Commissions to put forward a concrete plan of action. In this spirit, Commission services together with the Economic Community of West African States (ECOWAS) and West African Monetary and Economic Union (UEMOA) Commissions have decided to organise jointly in 2018 a ‘High Level Conference on Jobs creation, Growth and Competitiveness’ to discuss on how to deliver on these commitments with the particular focus on West Africa.

The AU-EU Summit was preceded by a Ministerial Meeting and a number of associated events to give voice to African and European stakeholders, namely the 3rd Africa-EU Civil Society Forum (11-12 July 2017), the 4th Africa-Europe Youth Summit in Abidjan (9-11 October) and the unprecedented *AU-EU* Youth Plugin-Initiative, the 6th EU-Africa Business Forum (27 November), which brought together business leaders, investors, innovative start-ups, and young and female entrepreneurs from both continents, the European Parliament and the Pan-African Parliament Forum (27-28 November), the Local Authorities Forum (27 November) and the Economic and Social Stakeholders Forum (16-17

November). The declarations of those key stakeholders from Africa and Europe provided a valuable impetus in preparing and shaping the outcomes of the AU-EU Summit.

EU partnership and cooperation with the regional organisations the Economic Community of Central African States (CEEAC) and the Central African Economic and Monetary Community (CEMAC), continued in 2017, which saw an acceleration of the implementation of the 11th EDF Regional Indicative Programme (RIP) for Central Africa: five programmes (on maritime security, on infrastructure governance, blending/transfer to AfIF – the African Investment Facility, on protected areas and on capacity building) were approved, for around half (EUR 157 million) of the total available funding in the RIP. At the end of 2017, an 84 % commitment rate had been reached.

Special partnerships

2017 marked the 10th anniversary of the EU-Cabo Verde Special Partnership, broadly an association agreement that is unique among the ACP countries. During the July Ministerial Meeting the parties expressed common interest in strengthening and deepening this six-pillar agreement, notably in the areas of ocean governance/maritime planning and blue economy; security cooperation; regional cooperation; the stimulation of economic growth, investment and jobs; and good governance migration and mobility issues.

Post-Cotonou

The current Cotonou Partnership Agreement between the European Union and 79 African, Caribbean and Pacific (ACP) countries will expire in 2020. Uniting over 100 countries and 1.5 billion people, the agreement has been the largest, most comprehensive and longest-lasting geographical partnership in the world. It has helped to reduce poverty, increase stability and integrate the ACP countries into the global economy. The expiry of the Partnership Agreement is the opportunity to rejuvenate the EU's relationship with its ACP partners and to adapt to the new realities.

An important milestone on the path towards a renewed ACP-EU was reached on 12 December 2017 as the European Commission adopted the Recommendation for a Council Decision, authorising the opening of negotiations on a Partnership Agreement between the EU and the ACP Group of States. The proposal included negotiating directives. The European Commission recommendation proposes to agree with ACP partner countries on a foundation agreement with common values, interests and facilitating increased cooperation at international level, which would go together with regional tailored partnerships for Africa, the Caribbean and the Pacific.

In October 2017 the 4th AU-EU High-Level Policy Dialogue on Science Technology and Innovation took place in Brussels. It welcomed the progress achieved in the implementation of the AU-EU Research and Innovation Partnership on Food and Nutrition Security and Sustainable Agriculture (FNSSA) and adopted the Roadmap towards a new R&I Partnership on Climate Change and Sustainable Energy (CCSE). This new Partnership received the highest recognition and was formally launched by the AU-EU Summit of November 2017.

3.1.1.7.2. *Thematic Overview*

In 2017, 16 African countries benefitted from Civil Society Organisations (CSO) country allocations for a total of EUR 31.375 million and 18 from Local Authorities (LA) country allocations for a total of EUR 20.75 million.

These allocations are managed by the EU Delegations through local calls for proposals.

3.1.2. South Africa

3.1.2.1 Introduction (Policy Developments)

2017 was an important year for EU – South Africa relations as it marked the 10th anniversary of our Strategic Partnership; the only one the EU has on the African continent. The political agenda in 2017 was largely dominated by the succession of the African National Congress (ANC) leadership.

Nevertheless, the EU – South Africa cooperation deepened further in 2017 with a significant number of fruitful sectorial dialogues, activities and high-level visits that were organised by the EEAS and Commission Services in Brussels and Pretoria with a view to consolidating the achievements of the EU – South Africa Strategic Partnership. These have confirmed that South Africa remains a key partner for the EU's political, economic, development policies and for the EU's security cooperation with Africa as a whole. With a world player role in international relations, a perception reinforced by its BRICS (Brazil, Russia, India, China and South Africa) and G20 membership and Southern African Development Community (SADC) chairmanship, its advocacy on behalf of the continent, South Africa matters to the EU.

In the changing international political context noted in 2017, South Africa started looking to the EU for renewed leadership in a global order based on international law, and at the EU's way of conflict prevention based on diplomatic engagement. It also looked at European investments to help revamp sluggish growth as the EU in 2017 remained South Africa's main trade and investment partner, accounting for more than a quarter of South Africa's trade and three-quarters of its Foreign Direct Investments.

In December 2017 the 15th EU-South Africa Joint Science and Technology Cooperation Committee meeting was held in Pretoria. The discussion took note of the opportunities offered through the Horizon 2020 programme and the progress achieved in key areas such as marine research cooperation, health research, earth observation and bioeconomy and explored the potential of new areas of cooperation such as nanotechnology.

3.1.2.2 Working Better Together, Development effectiveness, and donor coordination

The South African Multiannual Indicative Programme (MIP) 2014-2020 as well as individual project designs are aligned on the National Development Plan 2030 and other country results framework.

The EU Delegation has led several sector forums for partner and Government coordination in all its work areas to promote mutual accountability. The two new budget support programmes designed in 2017 on education for employability and support to the national system of innovation make full use of the country's Public Finance Management systems.

Division of labour and donor coordination continued to be affected by partner presence per sector, leading to varying degrees of coordination. In the health sector, coordination in 2017 was very successful with regular EU and WHO co-chaired meetings with partners and Government. Similarly, the EU-led development partners' Working Group (WG) on Science and Technology was the main donor coordination instrument in this area in 2017, with active Government participation. Joint programming was not pursued in South Africa mainly due to the limited number of development partners, but regular exchange of information took place.

In 2017 the EU Aid Explorer tool has been updated to include the latest OECD and International Aid Transparency Aid (IATI) data for Commission services and the EU Member States, in line with the commitment by the EU and the Member States to make their available data transparent. The tool has been used by Commission services to provide training in 2017 to the staff working on joint programming.

3.1.2.3 PEOPLE – Human Development and dignity

3.1.2.3.1. *Implementation*

Education has been a very important sector of cooperation since the EU developed its relationship with democratic Africa in 1994. Efforts in 2017 continued supporting a teacher-driven education system that is able to deliver quality professional development programmes and opportunities for education professionals and university academics. National centres delivering professional qualifications for teachers working in a special needs environment were set up thanks to the EU-funded 'Teaching and Learning' programme. Similarly, the pool of technical, vocational education and training (TVET) lecturers and community college lecturers was also improved. Some 16 research projects in post-school education and training that involve 23 universities as partners were signed in 2017.

The 30th anniversary of the Erasmus+ programme was celebrated in South Africa on 4 May in the presence of alumni. Bilateral partnerships selected in 2017 under Erasmus+ enabled 272 South African students and staff to experience short-term mobility in Europe, while five scholarships were awarded to Master students for Joint Master Degrees in Europe. In addition, four projects involving capacity building of South African higher education institutions were approved.

3.1.2.3.2. *Thematic overview*

In 2017, a regional programme was developed to strengthen institutional mechanisms in the Southern African region to facilitate legal migration and help prevent irregular migration. In March 2017 a EUR 15 million Pilot Action on Voluntary Return and Sustainable, Community-based Reintegration was launched promoting sustainable return and reintegration in South Africa, Mozambique, Malawi and Zambia.

The Clothing Bank



Context

In 2014, 68 % of South African women with babies under two were single. 50 % of fathers provide no financial support for their children, resulting in many children born to single mothers living in poverty, reliant on state support. Education is at the centre of these challenges: in 2011 less than one- third of South Africans had completed school. This means that formal employment is hard to achieve, as an entry level requirement for even the most basic job is usually the completion of Grade 12. Unemployed South Africans need to be empowered and provided alternatives to formal employment.

The Clothing Bank empowers unemployed women and men (mostly mothers and fathers) in South Africa to start small businesses so that they can become financially and socially independent. The model includes micro franchising and partnering with major retailers who donate their end of season and customer returns products.

Objectives

- To increase the number of new beneficiaries to be supported each year from 200 to 400 and to extend and professionalise the training curriculum to provide programme participants with 38 modules of training which include topics such as financial, business and life skills. To increase the number of hours mentoring each business owner received.
- To pilot more micro franchise business models with the aim to pilot at least five models which would be replicated at least five times each.
- To test the replicability of The Clothing Bank's development model in other non-profit organisations and to develop a training curriculum that could be used by other non-profits supporting small business development.
- To develop an integrated impact measurement tool which would enable beneficiaries to take responsibility for their journey out poverty and to track their progress.

Results

- ✓ The Clothing Bank now has five branches in South Africa supporting up to 850 unemployed mothers at any given time. Over the two years of this project, 1 121 unemployed mothers have

been recruited to join the two-year programme. These women have collectively made over EUR 3.6million in profits over the two years.

- ✓ All of these mothers have the opportunity to participate in 35 modules of training covering topics such as financial, business and life skills. They are supported by an extensive support system which includes coaching, mentoring and counselling
- ✓ Four micro franchise models have been piloted, with two operating successfully and in full replication stage.
- ✓ First, an early childhood development model which helps women establish education facilities for children aged 2-5 To date, 12 schools have been established.
- ✓ Secondly, an Appliance Bank model, which utilises broken home appliances donated by retail partners to help unemployed men establish small businesses by repairing and selling these. 38 business men are operating successfully today.
- ✓ The Clothing Bank development model was tested in partnership with another NGO and successfully replicated.
- ✓ The training curriculum has been professionally packaged and is available to any NGO who would like to utilise it.

“We don’t give people fish, we teach them how to fish AND how to sell their fish. If you educate a man you educate an individual if you educate a mother, you educate a family and a nation.” Tracey Chambers – The Clothing Bank, CEO.

3.1.2.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.1.2.4.1. *Implementation*

Several EU-funded projects led by civil society organisations implemented various actions in 2017 to support adaptation to climate change and develop sustainable community models and ‘water-savvy’ cultures. The 'Jozini agricultural development model', for example, enabled 2 400 rural households in the Jozini Municipality (KwaZulu Natal Province) access to highly nutritious pellets made from cheap ingredients to feed small livestock during periods of severe drought.

The 'Infrastructure Investment Programme for South Africa', that aims to support South Africa's infrastructure programme and address constraints to infrastructure development, financed some projects in 2017 addressing energy and water issues, such as a water conservation and water demand management programme for the Municipality of Tshwane (Gauteng province) and a small independent power producer programme.

3.1.2.4.2. *Thematic overview*

An EU project promoting a responsible supply chain in the area of conflict minerals in developing countries of EUR 5.395 million is financed through the DCI. The scope of the programme is to promote the strengthening and progressive formalisation of the Artisanal and Small-Scale Mining sector in partnership with other economic operators downstream in the supply chain in compliance

with the provisions of the new EU Regulation on Conflict Minerals⁹². The action is expected to increase socio-economic conditions of miners in Conflict Affected and High-Risk Areas through capacity building and adoption of responsible mining practices that mitigate the various circumstances of vulnerability.

3.1.2.4.3. Case studies: Planet

Carbon Farming in the Little Karoo



Context

This project aimed to plant indigenous spekboom back into the veld in areas where it used to occur naturally, but which had become badly degraded over the past century. Planting spekboom will help restore this land biologically and also provide job opportunities for local restoration teams – a win-win situation for people and nature in the area. The Spekboom plant has a remarkable ability to remove CO₂ from the atmosphere, which helps South Africa's efforts to reduce its greenhouse gas emissions in the global fight against climate change. This project initially aimed to restore 300 hectares of degraded land in the Vanwyksdorp (Little Karoo) area while becoming a catalyst for expanded restoration work across the wider region

Objectives

- Restore natural vegetation on degraded thicket land through planting spekboom (*Portulacaria afra*).
- Create sustainable employment for marginalised rural communities in land restoration work and carbon farming.
- Develop carbon sequestration as a potential alternative income stream for land users through carbon farming.

Impact

- ✓ 500 ha of natural vegetation on degraded subtropical thicket in the Klein Karoo has been restored through planting spekboom – exceeding the target of 300 ha.
- ✓ A total of 812 ha has initiated a process of restoration either via spekboom replanting or exclusion of grazing animals (or both).

⁹² Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas

- ✓ Sustainable employment for marginalised rural communities in land restoration work and carbon farming has provided vulnerable people with marketable skills.
- ✓ Three entrepreneurs have been identified and empowered.
- ✓ The impact of the project in the community was significant, employing 60 community members (57 % women).
- ✓ The case for carbon sequestration as a potential alternative income stream for land users through carbon farming has been established.
- ✓ In 2016, Cambridge University bought carbon credits from the project to offset the emissions of their annual conference.

"The project put a lot of money into the community, but we are also proud of what we are doing. We are very, very excited. I have a daughter and I hope that when she comes in ten years' time I can tell her: this is what your father is doing. This is my legacy and it will be here for many years to come."

3.1.2.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.1.2.5.1. *Implementation*

2017 marked renewed efforts in supporting small business growth and job-creation capacity with preparatory work for the EUR 52 million 'Employment promotion through MSMEs support programme'. The technical team was put in place to ensure that the programme delivers on reducing the cost of doing business for small enterprises (through reduced interest rate lending), while business, production and marketing skills are improved so that business opportunities are seized.

Other initiatives to support growth and jobs were in full speed in 2017. 'The Clothing Bank' project that develops unemployed mothers' skills in retailing had 680 beneficiaries actively enrolled in its two-year programme, who were able to eradicate poverty in their families. A total of 70 young South African women graduated in 2017 from the 'South African College for Tourism' and the previous year's cohort of 77 graduates almost all started placements, paid internships or secured their own employment in 2017.

3.1.2.5.2. *Thematic overview*

In the area of gender, the EU is financing a EUR 10 million project aimed at promoting 'Women's Economic Empowerment' and financial inclusion in Sub-Saharan countries by improving access to suitable financial products and services, essential critical skills, digital enablers and capacity building services for financial institutions and end beneficiaries. By leveraging public and private resources through blending, the action also contributes towards defining scalable and replicable approaches in this area with other cooperation programmes such as EIP.

In 2017 activities and preparatory work started for the EUR 19.2 million programme Promoting Responsible Value Chains in the Cotton and Garment Sector with a focus on Decent Work and Transparency/Traceability. Workers, particularly women and girls, benefit of better working conditions and safer workplaces. In Burkina Faso and Mali child labour and forced labour are also addressed particularly in the cotton production.

SMEs Create Jobs in South Africa



Context

The role of the small and medium enterprise (SME) sector is highlighted in South Africa's National Development Plan as a critical sector for promoting employment, particularly in labour-absorbing industries. However, SMEs, in particular those owned by historically-disadvantaged individuals who are pre-dominantly black businesses, are faced with various constraints which prevent the sector from thriving. These include: the lack of skills to effectively run their businesses; the lack of access to markets and access to finance; and an inhibiting administrative and regulatory environment.

Objectives

- The overall objective of the EU Risk Capital Facility (RCF) programme is to contribute to economic growth of South Africa and to promote the participation of historically disadvantaged people in its economy.
- The programme aims at job creation, through the provision of financial assistance in the form of equity and quasi-equity to SMEs. Investments are supported with low or interest-free loans to enable SMEs to acquire business support services such as technical assistance and training.

Impact

- ✓ The Risk Capital Facility opened up access to financing for SMEs that were not able to access funds from elsewhere, with more than 150 SMEs financed through the programme.
- ✓ At least 17 000 jobs were created in a wide range of sectors including agro-processing, chemicals, media and renewable energy, of which more than 30 % of these jobs were for women.
- ✓ It empowered historically disadvantaged individuals through shareholding, participation in management posts and job creation, allowing them to become stronger participants in the South African economy.
- ✓ EU funds leveraged other funds by more than 300 %.
- ✓ It strengthened health and environmental protection measures in the supported businesses.

“When the factory opened in 2013 there were 52 staff. By 2016 they were employing 83 people, and by early 2017 a further 55 jobs were created to support the second production line. With the third line installed, Americandy expects to expand to over 250 staff.” Hamint and Sunita Daya, Directors and Owners of Americandy, Johannesburg, South Africa – recipients of RCF support.

3.1.2.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.1.2.6.2. *Implementation*

A new chapter in the long-standing EU support to the South African Parliament and provincial legislatures opened in 2017 with a new programme to enhance their capacity for oversight of the Government. In parallel, four grants were awarded to consortia involving 15 civil society organisations with many more community-based organisations involved. They aim to reinforce civil society participation in governance, for example with participation and advocacy among mining communities to address poverty, inequality, and inclusive and sustainable development.

South Africa has one of the most progressive constitutions as far as socio-economic rights are concerned. Access to these rights, such as adequate housing, health service care and children's rights, is however often complex. The 'Socio-Economic Justice for All' (SEJA) programme helped improve awareness of constitutional rights with an emphasis on socio-economic rights and on vulnerable and marginalised groups. It supported the publication in 2017 of the Constitution in the 11 official languages as well as in Braille, and school-based awareness campaigns. The SEJA programme also facilitated the establishment in 2017 of national and provincials task teams on lesbian, gay, bisexual, transgender and intersex persons (LGBTI). These teams aim to coordinate the implementation of National Intervention Strategy for LGBTI and coordinate rapid response when acts of violence are perpetrated against LGBTI persons.

3.1.2.6.3. *Case studies: Peace*

Strengthening migrant children's rights in Southern Africa



Context

When the right to life, survival and development is threatened, migration becomes a coping mechanism. Despite the lack of registration and tracking systems, the World Bank reports that more than one third of global migrations are South- South movements. This includes unaccompanied and separated children, who are vulnerable to violence, prejudice and exploitation, exacerbated by their naivety and trust for adults. Before this programme, child protection systems within South Africa, Zimbabwe and Mozambique were only marginally responsive to children engaged in or at risk of irregular migration.

Objectives

- By 2015, less children in Southern Africa suffer violence, abuse, and exploitations as a result of irregular migration.
- Increased understanding and commitment to realising the protection rights of migrant children at SADC⁹³, Migration Dialogue for Southern Africa (MIDSA) and between national governments.
- 66 000 children (boys and girls) from Mozambique and Zimbabwe have increased knowledge and access to protection risks information during migration and are supported to ensure safe migration and return/repatriation.
- 20 000 migrant children (boys and girls) have increased access to essential services and are integrated into the national child protection system in South Africa.

Impact

- ✓ Through collaboration with SADC and national governments in South Africa, Zimbabwe and Mozambique, 59 670 children directly accessed child protection and other essential services in communities of origin in Zimbabwe and Mozambique.
- ✓ Through various training and resource mobilisation processes, 1 060 Community Child Care Workers were capacitated to address migrating children's protection rights in Zimbabwe. 30 Officers from the Department of Child Welfare and Probation Services were trained in identification, documentation, tracing and reunification guidelines. In Mozambique 104 members of the child protection community committees benefited from similar training.
- ✓ Approximately 73 000 children across Mozambique, South Africa and Zimbabwe benefited directly from child protection and essential services as a result of this action. 90.4 % of the beneficiaries accessed the service in communities of origin.
- ✓ Five reception centres were established in South Africa, managed by social works and social auxiliary workers under the Department of Social Development.
- ✓ By 2015 about 271 children were supported to attend formal schooling, 47 benefited from health services with 11 receiving psychosocial support services; 24 cases for family reunification were traced and 12 children whose families were successfully traced were reunified.
- ✓ 176 children received interim care and escort services at reception centres in Betbridge and Bulilima districts following deportation. 212 unaccompanied migrant children were assisted to access shelter in South Africa.

"The project was designed to address unsafe migration, by strengthening the responses, both at the transitional country and the destination." Melinda van Zyl, Project Manager from Save the Children

3.1.2.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.1.2.7.1. Implementation

During 2017, the EU Delegation to South Africa facilitated partner discussions with UNDP and the Government Departments in charge of coordinating the SDG reporting process. In addition, a 'Sustainability Transition Dialogue' through workshops funded by the EU-South Africa Dialogue Facility

⁹³ Southern African Development Community – a regional peace and security organisation.

took place in 2017 on the development and use of indicators simultaneously aligned to the National Development Plan, the African Development Agenda (Agenda 2063) and the SDGs.

Following the establishment in 2016 of a Forum on environment, climate change, water and sustainable development signed by European Commissioner Vella and the South African Minister of Environmental Affairs, the first formal dialogue took place in May 2017. During the dialogue, the Green Economy and the implementation of the three environment SDGs (climate action, oceans and land ecosystems) as well as SDG 6 on water and sanitation were identified as key areas of cooperation.

3.1.2.7.2. Thematic Overview

In 2017, the Civil Society Organisations (CSO) country allocations for South Africa amount EUR three million.

This allocation is managed by the EU Delegation to South Africa through local calls for proposals.

3.1.2.7.3. Case studies: Partnerships

Shukuma Mzansi!



Context

The history of community arts centres in South Africa illustrates the complex relationship between the state and community culture in a society in transformation. Though community arts centres have contributed significantly to social and political empowerment of communities since the 1970s, state-funded centres have underperformed since 1996. Acknowledging the culture and heritage sector as an economic growth sector, the Department of Arts and Culture has embarked on a revitalisation and building the capacity of Community Arts Centres, not least for job creation. The EU-South Africa policy dialogue project was aimed at strengthening bilateral relations between South Africa and the EU to realise the objective of strengthening the institutional capacity of South African community cultural centres.

Objectives

- To engage with EU and Member States dialogue partners to obtain their insights into issues affecting South African Community Arts Centres (CACs).
- To make policy and programming recommendations for the national CACs policy for the White Paper on Arts, Culture and Heritage.

- To identify key issues for consideration for the 4th version of the White Paper on Arts, Culture and Heritage.

Impact

- ✓ Six South African delegates from various institutions (government, CACs theatres) embarked on a study to Ireland, Belgium and France from 4 January 2017.
- ✓ Five EU delegates arrived in South Africa on 18 February 2017 and went on a study tour to Johannesburg, Durban and Limpopo province.
- ✓ Successful International Community Arts Conference held in March 2017. The International Community Arts Centres Conference was held in March 2017 at the Sibikwa Arts Centre in Benoni South Africa. 160 participants attended.
- ✓ 46 % of participants rated the dialogue as excellent, 31.5 % very good, 22.5 % good.
- ✓ Policy and programme recommendations for a national Community Arts Centres policy and programming were formulated.
- ✓ Draft considerations for input into the 4th version of the White Paper on Arts, Culture and Heritage were made.
- ✓ Task Team elected to develop recommendations for the establishment of a National Federation of Community Arts Centres and nominated nine people (one from each of the nine provinces in South Africa) as an interim measure.

“Unity is needed along diversity. This should be applied to existing structures and understanding is needed of any new structures may come into being. We must avoid holding territory at the expense of new ideas.” Makhoala Ndebele: Artistic Director-Johannesburg City Theatres.

3.2. Latin America & the Caribbean

3.2.1. Latin America

3.2.1.1 Introduction (Policy Developments)

2017 saw progress in giving expression to partnerships through political and trade agreements. There was progress in negotiations with the South American trade bloc MERCOSUR on a bi-regional Association Agreement. Negotiations continued with Mexico, a strategic partner and important multilateral actor, for a modernised Global Agreement. And work moved forward on a modernised Association Agreement with Chile. Of broader relevance to the region, draft negotiating directives were adopted in December 2017 for a new Partnership Agreement with ACP states. In this context, consultations with the Caribbean countries on the future of EU-Caribbean relations were started.

In 2017 the EU continued to play an active role in the peace process in Colombia, supporting implementation of the historic peace agreement through the Colombia Trust Fund. The Special Envoy of the HR/VP, Mr. Eamon Gilmore, continued to play a key role in coordinating EU efforts, visiting the country and meeting with representatives of government, civil society and the international community.

At the beginning of the year, the Multi-Party Trade Agreement with Ecuador entered into force (Colombia and Peru being already parties to it). The provisional application of the Political Dialogue and Cooperation Agreement with Cuba started on 1 November 2017. The EU and Cuba commenced work on the implementation of the Agreement and the setting up of a number of dialogues in different areas, including on human rights.

As political polarisation increased and the socio-economic situation deteriorated in Venezuela, the EU pursued its support to peaceful democratic solutions based on meaningful dialogue, respect for the rule of law and human rights, including those of jailed political opponents. Equally, the EU continued to explore all available possibilities to scale up assistance to address the most urgent needs of the population and the need to protect European citizens.

In Central America, two Countries had elections in 2017. There were Presidential and legislative elections in Honduras, where a post-electoral controversy caused a protracted crisis. The EU Election Observation Mission (EOM) monitored the process and contributed towards addressing and solving post-electoral concerns. Municipal elections observed by the Organisation of American States (OAS) took place in Nicaragua without major incidents. Instability continued in Guatemala with attacks on the Commission Against Impunity and Corruption. Reform efforts and citizen security work continued throughout the region, supported by the EU, and major cooperation programmes contributed to development including on governance, food security, environment, education and other crucial sectors. Cooperation on taxation remained a challenge, but increased efforts were deployed and continue. El Salvador continued its proactive and widely appreciated Community of Latin American and Caribbean States (CELAC) Presidency.

At regional level, the planned EU-CELAC Summit was postponed, but bi-regional dialogue and cooperation advanced well in the implementation of the CELAC-EU Action Plan. Progress was recorded in areas like gender, citizen security, climate change, research, innovation and higher

education. Punctual cooperation initiatives took place with the Pacific Alliance on higher education, free movement of people and trade in the perspective of scaling up relations and making them more structured.

More generally, in 2017 the EU looked at ways to shift the focus of its cooperation with Latin America and the Caribbean from development aid to a diversified model giving a more prominent role to investment, research and innovation, education and the digital agenda. The EU is adapting its policy to take account of the transition of various countries in Latin America and the Caribbean to a higher level of development, with stronger partnership on foreign policy and global issues, in defense of common values.

In 2017 two EU-CELAC Senior Officials Meetings on Research and Innovation took place and presented concrete actions to strengthen the implementation of the EU-Latin America and Caribbean Common Research Area, including through the Policy Advice Initiative to support CELAC countries in addressing the SDGs through Research and Innovation, as well as through the launch of the EU-Latin American and Caribbean Knowledge Week. A new EU-LAC research infrastructure working group was established to support bi-regional policy coordination, mutual learning and access to research infrastructures of common interest. Among the calls with CELAC, one on translational cancer research was launched in 2017, in order to respond to the huge concern that cancer is generating in Low- and Middle-Income countries (LMIC).

3.2.1.2 Working Better Together, Development effectiveness, and donor coordination

The EU Joint Programming (JP) process has established solid roots in Latin America, strengthening EU leverage in the region and enhancing the effectiveness of EU external development assistance.

The European Joint Strategy for Bolivia 2017-2020 was approved in 2017, a key achievement which will strengthen local coordination and complementarity between EU and Member States' development cooperation notably through EU coordination groups. The Joint Programming Document was signed by the EU institutions, Belgium, Denmark, France, Germany, Italy, Spain, Sweden, the UK and Switzerland.

In Nicaragua, the Joint Programme adopted in 2016 entails a division of labour for the European group (EU institutions, France, Germany, Italy, Luxembourg and Spain) based on the SDGs. In 2017, the Joint Programming document and joint results framework supported policy dialogue with the government and key public institutions leading to the design of new initiatives in the areas of trade and climate change. Another concrete result stemming from the Joint Programming process is the launch by EU and the Spanish Agency for International Development Cooperation (AECID) of the first ever joint evaluation of their country programmes.

In Honduras, the joint analysis was reviewed in 2017 leading to a draft joint response by the EU institutions, France, Germany and Spain with Switzerland recently joining the process. The electoral crisis at the end of 2017 led to a pause in the process.

In Paraguay, the division of labour agreed in the Common Strategy for Development Cooperation (Joint Programming Document finalised in 2015) continues to support efficiency gains and sectoral coordination processes.

In El Salvador, despite the limited number of donors, coordination of the European group remains a priority. In Ecuador, Member States have created informal sector groups that will support a process of enhanced coordination.

Colombia's EU Trust Fund in support of the peace building process is an example of joint implementation with Member States. Other examples of joint implementation include initiatives in Guatemala, Nicaragua and Peru. Member States are actively involved in the country level Gender Action Plans and Civil Society Roadmaps in nearly all countries in the region.

3.2.1.3 PEOPLE – Human Development and dignity

3.2.1.3.1. *Implementation*

Bilateral including budget support

In Bolivia, the EU provided budget support in the context of national policies in the water and sanitation sector, and programme support to small-scale agriculture and food security in coca production areas. Results achieved by the end of 2017 include the following: 45 municipalities with a Hydro Early Warning System; over 100 000 new water and over 100 000 new sewage connections in peri-urban areas; 300 000 inhabitants with access to safe water and 90 000 inhabitants with access to improved sanitation in rural areas. The new EUR 51 million 'integrated water and natural resources management' programme will build on the achievements of previous budget support operations in the areas of water and sanitation and watershed management through a strengthened focus on Climate Change resilience.

Paraguay has made substantial progress in education in recent years, through ensuring universal basic education and expanding girls' access to secondary education. A budget support programme linked to the national education policy was launched in 2017. Technical assistance (EUR 1.5 million) to the Ministry of Education was launched in 2017 and carried out by the Organisation of Ibero-American States. In July 2017, an agreement worth EUR 495 000 was signed with the Ministry of Education and key NGOs to establish Paraguay's first Citizen Educational Observatory, '*Observatorio Educativo Ciudadano*', to support civil society participation in the education sector. The EU also deepened its support to social protection, leading to Government approval of a Sector Note on Social Protection and to the organisation of a vast public consultation; as the first steps towards the establishment of a Social Protection System in Paraguay.

In El Salvador, the EU supports the 'Plan Social', the country's national social policy, through a EUR 50 million budget support programme launched in 2017. Plan Social aims to reduce social exclusion and extreme poverty as well as to strengthen public institutions involved in the implementation and oversight of the Plan Social. The programme builds on previous EU poverty reduction programmes, for example on increases of public spending in education and clean water coverage. In 2017 four service centres promoting youth employment were opened and '*Fondo Mujer*' was established as a concessional credit mechanism to facilitate women's access to credit.

Regional

In Central America, four consecutive years of drought and extended dry spells affected the populations in terms of food insecurity and malnutrition, particularly in the Dry Corridor which cuts across El Salvador, Honduras, Guatemala and Nicaragua. Assistance from governments, the World

Food Programme (WFP) and other actors have helped to alleviate the situation, but 1.6 million people remained moderately or severely food insecure in the Dry Corridor in 2017. The Central America component of the EU PRO-ACT project (EUR 10 million) aims to provide food assistance to subsistence farmers, day labourers and students most affected by El Niño. In 2016-2017, over 86 500 persons directly benefitted either in the form of cash-based transfers or school meals.

EUROsociAL + (2016-2021, EUR 32 million) contributes to the design, reform and/or implementation of public policies which have an impact on social cohesion in Latin America through peer-to-peer learning and experience exchanges between counterpart institutions in the EU and Latin America. In 2017, 15 inter-sectoral scoping missions took place in the region, gathering 489 requests for technical assistance from public institutions. 116 of these were selected as potential lines of action for 2018 (30 in gender in 13 countries, 49 in governance in nine countries and 37 in social policies in 15 countries). The more popular priorities were: good governance, access to justice, gender violence, poverty reduction strategies, and policies for youth.

In late 2017, the EU launched the Spotlight Initiative jointly with the UN: a EUR 500 million global initiative against violence against women and girls. In Latin America, with an initial EU contribution of EUR 50 million and a thematic focus on combating femicide, five priority countries were selected for programming: Argentina, El Salvador, Guatemala, Honduras and Mexico. Country-level and regional programmes will be launched in 2018.

3.2.1.3.2. Thematic overview

Gender

The implementation of EU Gender Action Plan (GAP) in this region lags behind that in other regions in terms of meeting the five minimum criteria of gender mainstreaming as set out in the GAP 2016-2020. There are some good performers such as, Brazil, Guyana and Paraguay, but several other countries need significant improvement. Half of EU Delegations in the region developed gender analyses for new EU external actions.

Using the OECD Gender Marker, the numbers of projects that do not have any gender responsive or specific activities or are 'gender blind' (value G-0) was reduced to 46.8 % of the EU's portfolio in the region in 2016 against 47.7 % in 2015. The target is for no more than 15 % of new projects being G-0 by 2020.

Many delegations were engaging in policy dialogue and events to raise awareness of gender equality among stakeholders and government bodies and were planning new gender responsive projects in the near future to improve the implementation. Senior Delegation members were appointed as gender champions in Bolivia, Ecuador and Honduras.

Migration

The EU helped build national and local capacity to address some of the challenges arising from migration and forced displacement: fighting trafficking (Brazil, Colombia), protection of displaced children (Guatemala, Honduras and El Salvador), integration of resettled refugees (Argentina) and consular crisis management (Mexico).

Health

In addition to bilateral programmes in two countries (Belize, Grenada), the EU supported health outcomes in the region through global programmes such as the Global Fund to Fight AIDS, Tuberculosis and Malaria. UNFPA intervenes in Bolivia, Haiti and Honduras and GAVI supports immunisations in Bolivia, Guyana, Haiti and Nicaragua.

Education

In addition to providing bilateral support to six countries in Latin America and the Caribbean, the EU continued to promote education in the region through global programmes. Through the Global Partnership for Education (GPE), the EU supported eight countries in the region. Through the Education cannot Wait platform and fund, the EU supported children in one crisis-affected country: Peru.

By the end of 2017 the Erasmus+ programme for Latin America, with a budget allocation of EUR 93 million over three years, had generated significant local participation supporting regional actions in higher education: through the International Credit Mobility action, 523 projects for bilateral partnerships supporting more than 4 500 students, researchers and staff were financed; 89 institutions from Latin America were involved in 127 Joint Master degree programmes as associated (111) or full (16) partners; and 47 capacity building projects with a regional dimension were selected, with more than 370 instances of participation by Higher Education Institutions (each institution can participate in several projects) and six African institutions acting in coordination roles.

Degree programmes as associated (111) or full (16) partners; and 47 capacity building projects with a regional dimension were selected involving the participation of more than 370 Higher Education Institutions.

Food

In Latin America, the EU has been increasing its support to tackle hunger and undernutrition, particularly focusing on those most vulnerable. It supports the Information Systems for Resilience in Food and Nutrition Security Programme of the Central American Integration System (SICA) (PROGRESAN-SICA), which contributes to the process of Central American integration, and to the achievement of the SDGs 2 and 13, on ending hunger and on climate change. With EU support, PROGRESAN-SICA seeks to generate relevant, timely, valid and reliable information as a basis for the development of effective public strategies and policies, with a focus on resilience of Food and Nutrition Security and aims at combating poverty, hunger and malnutrition. The countries that make up the SICA are: Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and the Dominican Republic.

3.2.1.3.3. *Case studies: People*

Strategy for Development and Social Inclusion in Peru.

Context

With the Ministries of Finance and Social Inclusion as implementers, this EUR 42 million programme has incentivised and helped the country since 2015 to reform its public financial management and to

improve indicators related to the integral development of young children and adolescents and the economic inclusion of families.

Objectives

The project focuses on schooling and basic health services for children as well as access for rural households to basic services such as electricity and water and sanitation, in some of the poorest areas of the Peruvian Amazon.

Impact

- ✓ The ratio of children under three years attending pre-school in the targeted rural districts of Amazonia has increased to almost 62 % in 2016 from 46 % in 2014.
- ✓ The ratio of children under five years having access to clean water has increased to almost 10 %, up from 5 % in 2014.
- ✓ The ratio of households with access to a package of services (electricity, telephone, water and sanitation) has increased to 22.5 % in 2016, from 19 % in 2014.

3.2.1.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.2.1.4.1. Implementation

Bilateral including budget support

In Bolivia, the EU's longstanding and successful cooperation is improving the management of river basins, critical ecosystems and polluted mining areas. In 2017, a new EUR 51 million integrated water and natural resources management programme was launched, building on the achievements of previous budget support operations in the area of watershed and natural resources management, such as the creation of 22 national protected areas and eight subnational protected areas with a management system and the extensive reforestation of water sources (2 437 hectares) for soil recuperation and flood prevention. The new programme pays particular attention to climate change resilience.

In Nicaragua, a new programme to strengthen resilience in the upper basin of the Coco River was launched in 2017 to increase capacities in climate adaptation, improve the availability and stability of water resources, and recover soils and ecosystems; supporting the implementation of the new national water resources management plan.

Regional

In Central America, the EU's PROCAGICA programme has increased the regional capacity to adapt to climate change and build resilience amongst vulnerable populations to its effects in coffee growing areas, for example the recent coffee leaf rust outbreak – one of the worst on record.

EUROCLIMA+ was officially launched in mid-2017, building on its predecessor, EUROCLIMA, the EU's flagship regional programme supporting Latin American countries to implement climate change policies and comply with Paris Agreement commitments. The programme benefits from a financial

envelope of EUR 80 million for 2017-2021. 2017 was dedicated to the finalisation of implementation arrangements mainly with five agencies of EU Member States: Germany's *Gesellschaft für Internationale Zusammenarbeit* (GIZ), France's *Agence Française de Développement* (AFD), and Spain's *Agencia Española de Cooperación para el Desarrollo* (AECID), Expertise France, and the *Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas* (FIIAPP). Two UN agencies also took part in EUROCLIMA+ actions: the Economic Commission for Latin America and the Caribbean (ECLAC) and UN Environment.

The programme favours strong ownership and participation from all 18 beneficiary countries in Latin America with a focus on priority implementation activities at national levels and aims to engage on aspects of climate finance. Preparatory actions started in 2017 for five of the seven programme components: climate governance, forests, biodiversity and ecosystems, disaster risk reduction and management, urban mobility and resilient food production. The remaining two components, urban water and energy, will begin implementation in 2018.

3.2.1.4.2. *Thematic overview*

The EU project promoting responsible supply chains in the area of conflict minerals (3T&G) is also active in this region. The scope of the programme is to promote the strengthening and progressive formalisation of the Artisanal and Small-Scale Mining sector in partnership with other economic operators downstream in the supply chain in compliance with the provisions of the new EU Regulation on Conflict Minerals⁹⁴. The action is expected to increase socio-economic conditions of miners in Conflict Affected and High-Risk Areas through capacity building and adoption of responsible mining practices that mitigate the various circumstances of vulnerability.

About 40 % of Latin America is covered by forests and particularly the Amazon forest. Severe deforestation and environmental degradation are causing environmental problems and affecting livelihoods. In 2017, the EU continued to be active in the area of forests with its EU Forest Law Enforcement, Governance and Trade (FLEGT) flagship. Throughout the year progress was achieved with the conclusion of negotiations of Voluntary Partnership Agreements (VPA) with Honduras and Guyana, which aim to improve forest governance and to ensure that trade in timber is legal. In addition, the EU has provided support to indigenous people in sustainable forest management, and capacity building to the private sector to participate in the VPA process and to help develop system of timber traceability.

Global demand for commodities, driven by demographic growth is increasing the pressure on natural resources. The EU continued supporting a large initiative on conservation and sustainable management of dry forests at the fringes of Bolivia, Argentina, Brazil and Paraguay. These ecosystems, subject to massive deforestation by agro-industry, are providing water and other ecosystem services for huge dependant populations and areas. A landscape approach, combining sustainable agriculture and biodiversity conservation is implemented by various sub-regional authorities and civil society organisations under the auspices of *Zona de Integración del Centro Oeste de América del Sur* (ZICOSUR).

⁹⁴ Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas

Although access to water and to sanitation has considerably increased over the last decade in Latin America, water issues remain critical. In this region, the EU continued to support a process of dialogues between governments on the nexus existing between water, energy and food security. Pilot projects have been launched in Costa Rica regarding hydropower, water and irrigation, and in Peru regarding intergovernmental integration of water policies.

Under the EUROCLIMA project, methodologies have been developed for the evaluation/modelling of climate change impacts on land degradation processes and on economic valuation of land degradation. A Workshop on Land Degradation, Desertification and Drought as well as the scientific conference on climate change impacts in agriculture in Quito was organised in June 2017. On that occasion, the final version of the BioMA modelling platform for Latin America was presented. A capacity building workshop on web-mapping technology focusing on drought took place in Guayaquil in June 2017 coinciding with the transfer of a web-mapping and decision support tool on drought to CIIFEN (Ecuador). In 2017 the complete assessment of the whole national network of Bolivian Protected Areas (22 areas), undertaken in the frame of the PACSBio project (*Programa de Apoyo a la Conservación Sostenible de la Biodiversidad*) was completed with the adoption of the Integrated Management Effectiveness Tool (IMET).

3.2.1.4.3. *Case studies: Planet*

Supporting the Honduran Forest Sector (EUROFoR)



Context

In Honduras, about 48 % of the land is covered in forest, an essential part of the Mesoamerica biological corridor, and home to indigenous peoples and forest communities and an immense wealth of biological diversity. These forests are extremely vulnerable to climate change, with extended periods of drought leading to pest epidemics. From 2014 to 2016, Honduras suffered an unprecedented Pine Beetle (*Dendroctonus frontalis*) infestation, which destroyed 11 % of its forests. Through efficient and flexible budget support to nationally-led policies, EU cooperation through the EUR 68 million (2013-18) EUROFoR initiative has allowed Honduras to halt the infestation and to bring it under control in 99 % of the 480 000 affected hectares.

Objectives

- To strengthen forest governance by preserving the Honduran forests and, by extension, the Mesoamerica biological corridor.
- To support forest communities and indigenous peoples to participate in negotiating trade mechanisms that safeguard the sustainability of their natural resources.
- To combat climate change through mitigation activities against pest infestation and through adaptation measures that would prevent such crisis from re-occurring.

Impact

- ✓ Pine Beetle infestation has been dramatically controlled, bringing expansion down by 45 %.
- ✓ The number of illegal timber logging operations decommissioned has increased by 83 % in the 2014-17 period.
- ✓ Formalisation of the national cadastre system for 323 400 hectares of forest land, representing 55 % of the national target achieved.
- ✓ Offsetting 41 % of the national target of protected areas management plans.
- ✓ 83 % of the national target for timber industry compliance audits completed.
- ✓ Forested area lost due to fire reduced by 15 % compared to 2014 baseline.
- ✓ Honduras is now ready to sign the Voluntary Partnership Agreement in Forest Law Enforcement, Governance and Trade (VPA FLEGT).



Managing Coffee Leaf Rust in Central America

Context

Since 2012, a coffee leaf rust epidemic has crippled coffee production in the Central American region. In 2015, the EU reacted by adopting a new programme, PROCAGICA with EUR 15 million of funding to support regional and national efforts to contain the coffee leaf rust fungus.

Objectives

PROCAGICA seeks to

- Increase the region's capacity to design and implement policies, programmes and measures for the better adaptation and resilience of small- and medium-sized coffee producers to the adverse effects of climate change.

- Pursue integrated regional actions in seven countries (Central America plus the Dominican Republic) but also target local small and medium coffee producers in four countries (Guatemala, El Salvador, Honduras, and Nicaragua).
- Improve the livelihood of 330 000 producer families and 6 000 family farms in selected coffee production areas in the region.

Impact

2017 marked the first full year of implementation of PROCAGICA, and the programme made important progress in a number of its early activities.

- ✓ Evaluations and diagnostics of existing national monitoring and warning systems were undertaken to help development of a region-wide Early Warning System (EWS) for coffee leaf rust and other threats to coffee production.
- ✓ Research on monitoring the various species of leaf rust began.
- ✓ In the four pilot countries, a first group of beneficiary farms was designated to receive interventions.
- ✓ Some 287 technical assistance field visits were conducted and 1 036 coffee producers benefited from capacity-building activities to renovate or diversify coffee plantations.
- ✓ PROCAGICA actively promotes women and youth as beneficiaries of its activities and in 2017, nearly one third (31.2 %) of all the selected beneficiaries were female helping to improve their socio-economic situation in poor, rural areas.

3.2.1.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.2.1.5.1. *Implementation*

Bilateral including budget support

In Colombia, EU budget support in the framework of rural development policy and the dairy sector (EUR 68 million) has strengthened the Ministry of Agriculture and stimulated local economic development. Key results for 2017 include the participation of 9 000 dairy units in the support programme aimed at strengthening their productive and competitive potential. Five milk quality laboratories have been accredited, 7 000 small milk producers received technical assistance and almost 900 SMEs received financial support from the Ministry's funds.

In Ecuador, the EU supports a trade programme, jointly with private sector actors, to transform the production matrix towards complying with the Multiparty Trade Agreement, signed with the EU in 2014. In 2017, 651 SMEs with export potential participated in capacity building projects.

In Paraguay, the Implementation of a EUR eight million programme to support private sector development through the promotion of diversified and sustainable livestock production was launched in 2017 with the signature of a EUR 3.4 million agreement with GIZ.

Regional

In Central America, the EU supported regional economic integration through the launch of the EUR 20 million 'INTEC' project, improving competitiveness, diversification and trade facilitation for goods and services. In tri-partite collaboration with Chile and the Secretary of Economic Integration of Central America (SIECA), the EU is strengthening capacities to implement trade agreements and trade promotion.

Blending operations are key EU priorities in the region, delivered through the Latin America Investment Facility (LAIF). This facility is at the forefront of policy engagement with International Financial Institutions (IFIs) and with partner countries. In 2017, the EU contribution of EUR 43.1 million under LAIF triggered a total investment of EUR 517 million. Approved projects include the Green MSMSE Initiative, aimed at reducing carbon emissions in Central America, and a Facility in Cuba to finance (pre-) feasibility studies for investment projects likely to be financed by the IFIs. These projects increase investments in climate change mitigation and contribute to social and economic development.

ELAN projects (ELAN Biz and ELAN Network for a total of EUR 10.7 million) support the investment of European SMEs in Latin America, focusing on trade intelligence, activating 'Eurocamaras' (European Chambers of Commerce) in middle income countries, networking on research and innovation, and encouraging technology-based business opportunities between SMEs from both continents. Both projects will end in early 2018 with remarkable results: more than 1 500 business questions were answered during the last year on the web platform, seven Eurocamaras were reactivated, eight multiplier alliances linking private sector, technology and innovation were signed, and more than 50 technology-based business opportunities launched.

AL-Invest 5.0 programme with an EU contribution of EUR 25 million aims to boost productivity and competitiveness of Latin America MSMEs, thus contributing to economic growth and social cohesion. To date many MSMEs have benefitted from capacity building, training activities and network creation: 4 000 MSMEs have been trained on the use of business association tools, 2 500 have diversified their business, 750 have increased their productivity, and 3 500 have incorporated innovation elements. 2 050 women entrepreneurs have been empowered and more than 50 young entrepreneurs supported.

The BELLA programme provides digital infrastructure linking Latin America to Europe and supporting interconnections within Latin America, targeting mainly University Research Centres, part of the REDclara network. The EU supports local interconnection within Latin America via a EUR eight million contribution. The project will end in 2020 and has the potential to trigger substantial internet cost reductions locally. In 2017 the process to expand the network to Central America was initiated.

3.2.1.5.2. Thematic overview

In 2017 activities started for the EUR 19.1 million programme Promoting Responsible Value Chains in the Cotton and Garment Sector with a focus on Decent Work and Transparency/Traceability. Workers, particularly women and girls, who benefited from better working conditions and safer workplaces.

Greenhouse gas (GHG) emissions are growing in Latin America. The energy sector currently represents 42 % of all GHG emissions in Latin America. The energy sector is a priority for many Latin American countries in terms of climate change mitigation measures. However, to implement commitments in the context of the Paris Agreement on climate change, Latin American countries must promote renewables and energy efficiency, including improving regulatory frameworks. Latin America is a region with a great potential for the development of renewable energies. It is the region in the world that has the highest percentage of hydroelectricity participation in total installed capacity (approximately 48 %). Latin America also has an exceptional potential for solar and wind energy. In addition, the cost of renewable energy technologies is decreasing, which makes this market even more promising. Renewable Energy and Energy Efficiency is one of the priority sectors of the new Regional Programme of the EU on Environment and Climate Change for Latin America 2016-2020 (EUROCLIMA⁹⁵).

3.2.1.5.3. Case studies: Prosperity

Supporting rural development in Colombia

Context

Under its 2014-2018 National Development Plan 'Everyone for a New Country' focusing on the three pillars of peace, equality and education, the Government of Colombia prioritised poverty reduction in rural populations through a new public policy for 'countryside transformation'. This includes a strategy for rural development with territorial approach (DRET), which has been supported by the EU since 2013 with funding of EUR 39.2 million.

Objectives

- DRET addresses structural challenges through institutional strengthening at both national and regional/territorial levels, poverty reduction and social inclusion, sustainable use of natural resources and promotion of productive territorial development.

Impact

Programme results relate mostly to rural families' access to rural land property entitlements, productive projects and rural development financial instruments. Many beneficiaries (poor families and small producers) are Afro-Colombian (10 %), indigenous people (20 %), or female headed households (over 30 %). For example, in 2017:

- ✓ 55 633 families were supported by the 'land formalisation programme (2016 goal of 50 000 families).
- ✓ 116 930 families participated in productive projects (2016 goal of 115 799).
- ✓ 113 810 families benefitted from organisational and business capacities.

⁹⁵ <http://www.euroclima.org/en/>

AL-Invest 5.0 in, Bolivia, Ecuador and Uruguay

Context and objectives

The AL-Invest 5.0 programme, with an EU contribution of EUR 25 million, aims to boost productivity and competitiveness of Latin America MSMEs contributing to economic growth and social cohesion.

Impact

- ✓ In Bolivia, supply diversification and new product development has been achieved thanks to technical assistance from AL-Invest, the company *Industrias Eid* developed three new products: frozen fruit pulp, nectar and fruit sauce.
- ✓ In Ecuador at a Business to Business meeting organised by the AL-INVEST 5.0 programme, the Ecuadorian producers' group *Café de altura* signed an agreement with representatives of sales chains from Quito to commercialise their coffee, which has led to a sales increase of 32 %. They are now working on the creation of their own brand.
- ✓ Also in Ecuador, thanks to training, the group *Toquilleras de Portoviejo* improved the design and finishing of their hats; they increased sales by 25 % and have contracts with intermediaries to export to Europe.
- ✓ The Uruguay Chamber of Industry (CIU) has developed three new information platforms for SMEs: a system to monitor the scientific-technological market environment; a platform for supply/demand of knowledge with industrial applications; and an observatory of micro competitiveness in the food sector.

3.2.1.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.2.1.6.1. Implementation

Bilateral including budget support

Bilateral peace programming included initiatives in several South American countries in 2017. In Colombia the EU Trust Fund in support of the peace process, put in place at the end of 2016, launched its first projects in the field of rural development in conflict affected areas, amounting to an investment of EUR 30.3 million. Early results include the participation of 6 000 families in 13 municipalities in projects related to the re-activation of the local economies. In Peru, budget support linked to the national strategy to combat drugs (EUR 12.04 million) has provided technical assistance on law enforcement through an EU Member State consortium. In Bolivia, support in the framework of the national strategy to fight against drug trafficking and to reduce surplus cultivation of coca (EUR 15 million) had yielded significant results by the end of 2017, including the adoption of a new law to combat 'illicit trafficking of controlled substances', an increase of budget allocation to fight illicit drugs of 4.5 % (41 % since 2013) and the support of European experts through the International and Ibero-American Foundation for Administration and Public Policies (FIIAPP) consortium funded by the EU to articulate an 'intelligence community' within the security forces.

In Paraguay, the EU has been promoting democracy through a support programme to electoral processes, citizen participation and transparency. In 2017, the EU, in close cooperation with International IDEA, conducted institutional strengthening and capacity building activities with the Paraguayan Superior Court of Electoral Justice (TSJE). This notably led to the creation of a gender unit in the TSJE and to the conclusion of cooperation agreements with international electoral bodies, signed by the TSJE. Under EU programmes and projects, almost 1 000 civil servants and other citizens, notably from rural and indigenous communities, were trained and sensitised on issues such as gender, democratic values and electoral processes. The country's first Electoral Spending Observatory was created, and two OECD reviews were launched: a Public Governance Review and a Multidimensional Country Review.

In Guatemala, the EU supported the International Commission against Impunity; a census of all public workers; and the prevention of violence towards vulnerable populations. Activities in Honduras focused on anti-corruption and transparency. The EU supported the prevention pillar of El Salvador's national security strategy. The new EUR 34 million 'support to *Plan El Salvador Seguro*' programme, will build on a positive and longstanding cooperation in violence prevention with special focus on Youth. The EU action in this field had yielded significant results in the country by 2017, like for instance the rehabilitation of public spaces in 20 municipalities with over 5 200 children and adolescents participating in sports schools and over 1 600 families participating in family integration programmes.

Regional

In Central America, support was provided in the areas of violence prevention, border management, the fight against organised crime (harmonised regulations and coordinated police operations and investigations at the regional level; training of police, criminal investigators, prosecutors and the judiciary). In this context, the Regional Commission of Police Chiefs reported increased success in joint operations in the areas of drug trafficking, gangs, people trafficking, stolen vehicles and firearms. Concrete results include: 37 international and 43 internal criminal structures broken up; 438 persons rescued; 83 tonnes of cocaine confiscated; and 28 000 fire arms confiscated.

In 2017, for the first-time joint operations were launched in the areas of cybercrime and environmental crime.

The EUR 23 million EL PACCTO programme (2017-2021) contributes to strengthening regional cooperation along the entire criminal chain from police investigation, judicial proceedings to detention, with a specific emphasis on supporting the fight against transnational organised crime. Its main activities cover police/law enforcement cooperation; judicial and prosecution cooperation; and the penitentiary system through the mobilisation of expertise from EU Member States, EUROPOL and EUROJUST. EL PACCTO targets national policy reforms and greater regional harmonisation and integration. In 2017, through joint activities with Spain on cyber criminality, EL PACCTO triggered Operation ELIPSIA which targets child pornography, leading to a series of arrests throughout Latin America. Initial support was provided to penitentiary systems in Argentina, Paraguay and Bolivia. The 2018 action plan includes actions related to corruption; trans-border organised crime, environmental crimes, asset recovery and anti-money laundering.

COPOLAD II (EUR 9.9 million, 2015-2019) supports anti-drug policies, bringing together 31 institutions from the EU and Latin America and the Caribbean, with the aim to reduce the demand and supply of

drugs in the region. It provides mainly capacity building to national authorities, and its added value lies in knowledge transfer, sharing of experience and good practise for training, and the elaboration and implementation of alternative strategies.

As of 2017, COPOLAD II has supported the creation of a National Observatory for Drugs in Bolivia, and the establishment of Early Warning Systems (EWS) in Argentina, Colombia, Costa Rica and Uruguay, which will be replicated in Brazil, Chile, Ecuador, Mexico, Peru, Antigua and Barbuda, Bahamas, Barbados, Jamaica, Trinidad and Tobago. It has also supported the creation of legal frameworks for quality accreditation of drug reduction programmes in Argentina, Bahamas, Chile, Costa Rica, Mexico and Trinidad and Tobago, the establishment of national structures to design and implement alternative development strategies and projects in Guatemala, Mexico, Jamaica and Paraguay. It has supported the production of national reports on drugs (based on verifiable indicators and criteria) in 26 countries of Latin America and the Caribbean. COPOLAD has launched an e-platform with specific sections for the EU-CELAC Cooperation Mechanism on Drugs, elaborated a report on gender roles in drug related areas, developed on-line courses for civil servants and trained more than 6 000 professionals in drugs policies-related areas.

3.2.1.6.2. Crisis response and preparedness

The Instrument contributing to Stability and Peace (IcSP) remained engaged in **Colombia** throughout 2017. Following the rejection of the agreement between the Government of Colombia and the *Fuerzas Armadas Revolucionarias de Colombia Ejército del Pueblo* (FARC-EP) at the end of 2016, there was great uncertainty regarding continuation of the peace process. In this context, the IcSP contributed by providing essential and timely support to the Tripartite Monitoring and Verification mission responsible for monitoring and verifying the Cessation of Hostilities, the Ceasefire and the disarmament of the FARC-EP. IcSP support was instrumental in providing training to the Colombian military and police personnel charged with ensuring the security of the zones in which the FARC-EP members had concentrated to demobilise and where they would later hand in their weapons. IcSP is also contributing to generate confidence and gain the trust of indigenous communities and other groups that have been disproportionately affected by the armed conflict, in particular, children, including projects to re-build the social fabric of the communities that have suffered most.

3.2.1.6.3. Thematic overview

EIDHR support

2017 was a dark year in terms of human rights violations. The tendency to criminalise social protest; social conflicts linked to land grabs, water diversion for industrial purposes and other similar examples of human rights violations related to business increased in 2017, with a dramatically high number of environmental and human rights defenders and journalists killed as compared to previous years.

The European Instrument for Democracy and Human Rights (EIDHR) promotes geographical balance in its global calls for proposals for civil society. Each Lot includes projects implemented in Latin America and the Caribbean across all EIDHR priorities: human rights defenders, the fight against

death penalty, the fight against torture, economic and social rights, anti-discrimination, etc. This, in addition to local calls for proposals launched by the EU Delegations through the Country-Based Support Scheme (CBSS - EIDHR allocations managed directly by Delegations), and various mechanisms for the protection of human rights defenders, ensures that attention is given to the most difficult human rights challenges in the region. In 2017, EUR 12.5 million was earmarked for CBSS initiatives in Latin America.

In 2017, a three-year project called ‘Supporting and strengthening the work of the Inter American Human Rights System through the promotion and protection of the most vulnerable and excluded groups and communities in the Americas’ ended. EIDHR contributed EUR one million to support two main institutions: the Inter American Commission of Human Rights and the Inter American Court of Human Rights. New support is foreseen for these two institutions for the period 2018-2020, to continue strengthening the system, especially regarding the backlog in the petitions system and in monitoring the compliance of recommendations.

Peace and resilience

More than six conflict sensitivity analyses were carried out in 2017, under the EU Conflict Early Warning System (EWS), in support of EU foreign policy goals. The EWS draws upon field-based information to provide a solid foundation for conflict analysis, by identifying structural risks. The goal is to prevent the emergence, re-emergence or escalation of violent conflict.

3.2.1.6.4. Case studies: Peace

<p>EU Trust Fund for Colombia</p> <p>Context</p> <p>The EU Trust Fund for Colombia, officially launched in December 2016, has a total budget of EUR 96.5 million, including contributions from 19 EU Member States.</p> <p>Objectives</p> <ul style="list-style-type: none">• To support the Colombian Government in the implementation of the peace agreement in the short and medium term, with a special focus on rural and productive development in specific geographic areas as well as on reintegration of the ex-combatants. <p>Impact</p> <p>In its first year of operations, the Colombia Trust Fund approved seven projects for a total amount of EUR 30.3 million. The Trust Fund has already proved itself as a cooperation modality in terms of donor coordination, flexibility in adjusting to emerging needs of the peace process and EU visibility in the country, the region and globally. Projects that launched in 2017 have already delivered a few quick wins, delivering a tangible peace dividend, including:</p> <ul style="list-style-type: none">✓ 6 000 families in 13 municipalities are engaged with projects and co-operating on the re-activation of the local economies.✓ Through fair trade agreements, 260 coffee growers in Cauca have obtained a 15 % increase on their income for bio-certified (organic) coffee. Production commercialised through the scheme reached 56 tonnes in 2017.
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- ✓ 800 farms in Choco diversified complementary production through poultry and pork farming in addition to their usual crops.
- ✓ Laboratory equipment for milk testing and quality assurance were provided in the Launch of a pilot land formalisation process in Vista Hermosa (Meta) with the support of the Dutch Cadaster, whose methodology should offer a faster and cheaper land titling process that can be replicated elsewhere.

3.2.1.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.2.1.7.1. *Implementation*

Bilateral including budget support

With a view to the effective implementation of Agenda 2030, all EU programmes cooperate and coordinate with relevant government, civil society, private sector, donor and international partners.

For example, ‘support to the trade sector’ in Ecuador (EUR 11.7 million since 2016) promotes strengthened partnerships on foreign trade issues between government and public institutions on the one hand, and the private sector, on the other hand. The project supports a “productive matrix transformation” to take advantage of the Multiparty Trade Agreement with the EU. The focus is on increased internationalisation of micro, small and medium enterprises, including stakeholders belonging to the “*economía popular y solidaria*” – i.e. all forms of activities carried out by individuals and/or groups with a focus on ensuring inclusion and participation in the country's economic activities. Support is delivered through producers and/or exporters associations, federations and consortia. By the end of 2017, 651 SMEs with export potential, representing 90% of the “export subsectors” of the country participated in the capacity building project “internacionalizate” while the “*Federación Ecuatoriana de Exportadores – FEDEXPOR*” organised with EU support 23 workshops in the main cities of the countries, attended by 900 SME representatives.

Regional

In the Central America sub-region in 2017, a number of activities were organised to promote partnerships with the private sector, and notably SMEs, which play an integral role in moving the region's economic integration agenda forward. In particular, a number of workshops were held through the ‘Eko (Export Kick-Off) Bootcamp’ Initiative, a component of the Programme to Support Central American Economic Integration (PRAIAA, EUR 10 million), to help SMEs take better advantage of opportunities available in the EU market through the EU-Central America Association Agreement. Some 114 SMEs, many of which are women-led, benefited from technical assistance and coaching through the Eko Bootcamp. Of these, 66 companies adapted their services or products based on the latest global trends; 37 companies began or resumed certification processes to better access the European market; and 23 companies are currently in negotiations with or have already closed deals with European buyers.

A key objective through regional cooperation is to renew the EU's partnership with higher-income developing countries seen as important partners in the implementation of SDGs, in their own

constituencies and also regionally and worldwide. This comprises technical cooperation in regional programmes as well as support to triangular cooperation. It also involves research into better understanding the impact of countries' transition from medium-income to higher-income levels.

2017 saw the launch of a EUR 9.5 million Regional Facility for Development in Transition, supporting research and innovation to guide future EU engagement with emerging challenges such as overcoming 'middle-income traps' and structural vulnerabilities in higher-income developing countries. The facility will be implemented in close coordination with and co-funded by the OECD Development Centre and ECLAC: the UN Economic Commission for Latin America and the Caribbean.

The Regional Facility for International Cooperation and Partnership (Adelante) entered its second year of operations in 2017. Eight projects (selected through a call for proposals) began operations in the region, with participation of 54 organisations from 18 LAC countries in sectors ranging from agriculture to judicial reform. During 2017 the design of a follow up phase began, in consultation with partners.

3.2.1.7.2. Thematic Overview

In 2017, 14 Latin American countries benefited from Civil Society Organisations (CSO) country allocations for a total of EUR 28.52 million and seven countries benefitted from Local Authorities (LA) country allocations for a total of EUR 6.45 million.

These allocations are managed by the EU Delegation through local calls for proposals and the awarded projects are largely guided by the priorities and objectives of the Roadmaps for EU engagement with civil society aiming to reinforce a structured and strategic relationship with CSOs.

3.2.1.7.3. Case studies: Partnerships

<p>Triangular cooperation in Costa Rica and Colombia</p> <p>Context</p> <p>In July 2017, the Public Administration of Costa Rica launched an evaluation of its Equality and Gender Equity Policy with the support of the regional triangular cooperation programme Adelante, in a joint exercise with technical assistance provided by the administrations of Colombia, Uruguay and Paraguay.</p> <p>Objectives</p> <ul style="list-style-type: none">• The Adelante project aims to promote the concept of South-South cooperation between authorities of Costa Rica and Colombia, helping them to establish bases of comparison between their respective gender policies to define a model that could be implemented in other countries of the region. <p>Impact</p> <ul style="list-style-type: none">✓ Preliminary data shows that 59 % of the female users of a Costa Rican entrepreneurship support programme consider that it is contributing to the improvement of their businesses, while 23 % have not perceived any progress.
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✓ In light of this feedback, improved measures are being put in place to increase the efficiency of the initiative.

3.2.2. Caribbean

3.2.2.1 Introduction (Policy Developments)

The year 2017 was marked by the preparations for the Caribbean dimension of the post-Cotonou framework. This included a start to the informal consultations with the region on the future of EU-Caribbean relations. In this context, Commissioner Mimica met all Caribbean ministers in June 2017 in Mexico, as part of his outreach activities on post-Cotonou. The ACP-EU Joint Parliamentary Assembly was held in Port-au-Prince from 18 to 20 December 2017.

The year was also marked by a comprehensive response strategy to the devastating effects of hurricanes Irma and Maria in several countries and territories of the region, based on a LRRD approach (Linking Relief, Rehabilitation and Development). The response plan was backed by an overall assistance package of EUR 300 million, which was announced by Commissioner Mimica at a pledging conference for the Caribbean, organised in New York in November 2017.

The provisional application of the Political Dialogue and Cooperation Agreement (PDCA) with Cuba started on 1 November 2017. The EU and Cuba commenced work on the implementation of the Agreement and the setting up of several dialogues in different areas, including on human rights.

EU cooperation with Haiti continued to receive attention throughout 2017. Haiti remains the only Least Developed Country (LDC) in the region and the largest recipient of EU assistance in the Caribbean (the European Development Fund alone will contribute more than EUR 450 million over the period 2014-2020). Haiti's serious economic problems have been compounded by political instability, weak institutions and vulnerability to natural disasters. In 2017, the Commission continued the implementation of the 'joint response plan' to support the government's rehabilitation efforts following the 2016 hurricane Mathew. In February 2017, the President Jovenel Moise finally assumed office, putting an end to two years of political and institutional crisis. Nevertheless, the root causes of political instability remain unchanged and significant structural reforms (electoral system, constitution, judiciary) as well as stepping up the fight against corruption, remain necessary and urgent.

3.2.2.2 Working Better Together, Development effectiveness, and donor coordination

The emergency created by the devastating effects of Hurricanes Maria and Irma in September 2017 resulted in better donor coordination in the Caribbean. With support from the UNDP, the Caribbean Community (CARICOM) Secretariat convened a high-level pledging conference at UN headquarters on 21 November which brought together over 400 representatives from governments, multilateral and civil society organisations and the private sector in a broad partnership to support reconstruction efforts. Over USD 1.3 billion in pledges and over USD one billion in loans and debt relief were made.

The Government of Dominica established the Climate Resilience Execution Agency of Dominica (CREAD) that will coordinate the reconstruction of affected areas and will play a donor coordination role.

The EU Delegation to Barbados actively participates in the Eastern Caribbean Development Partners Group, chaired by the UNDP, as well as in other sector coordination groups. This coordination is fundamental in the context of partner support to countries affected by hurricanes Irma and Maria.

In Haiti, donor coordination works well, with the EU Delegation playing a leading role at both EU ambassadorial and technical/sector levels including on disaster risk reduction and public financial management. In 2017, activities were renewed for the drafting of a roadmap that should lead to the adoption of a Joint Programming document for the post 2020 programming period.

3.2.2.3 PEOPLE – Human Development and dignity

3.2.2.3.1. *Implementation*

Bilateral including budget support

In 2017 the EU committed funds for a new EUR 10 million health programme in Belize, implemented through the Pan American Health Organisation (PAHO) and supporting governance and quality of primary health care services, as well as energy efficient, effective and disaster resilient health infrastructure. In Grenada, a EUR 3.8 million budget support programme for health sector reform was launched in 2017, with the objective to improve overall access and quality of health services, through increased efficiency and financing of the health system.

Haiti was a focus of attention during 2017, given its political, socio-economic and environmental fragility. In this context, the EU prioritised the addressing of structural weaknesses, economic rehabilitation and poverty reduction through the launch of three important programmes: a new EUR 120 million State Building Contract (SBC-II), a new EUR 36.5 million programme on urban development in Port au Prince (URBAYITI) and a EUR 10 million top-up to the Pro-Resilience Food Security programme, to improve food security of the most vulnerable people affected by Hurricane Matthew, in southern Haiti.

The first phase of the State Building Contract (SBC I) aimed to rebuild the basic capacities of the State with a total budget of EUR 112 million and achieved significant results in 2017, with regard to reforms in the areas of public administration and education. For example, more than 60 % of public and private teachers were by the end of year correctly identified and had received a provisional permit to teach. The second State Building Contract (SBC-II), will further strengthen governance, resilience and national policies, towards better service delivery for Haitians. It is performance-based and includes a permanent and structured political dialogue with the government.

Results include the following:

- The establishment of a (historical) structural and permanent trilateral dialogue between Government, Parliament and Civil Society on reforms and a multilateral coordination dialogue between donors (chaired by the EU) and Government on public financial management.
- Adoption of laws defining wage scales for different categories of public servants and a performance-based evaluation system in several Ministries.
- Introduction of several measures to reinforce the fight against corruption were introduced: for instance, a significant increase in the budget of the *Unité de lutte contre la corruption* (+58 % rise

in 2016), thereby increasing the scope of its work, including an updated system for asset declaration of politicians.

- Tax revenues continued to increase, by 13 % in 2016-17 as compared to 2015-2016.

3.2.2.3.2. Thematic overview

Migration

The EU 'Migration, Environment and Climate Change: Evidence for Policy' (MECLEP) project focused on knowledge generation in an under-researched field and contributed to building national capacity through training for policy makers. It resulted in the 2017 International Organisation for Migration (IOM) report entitled 'Making Mobility Work for Adaptation to Environmental Changes' which showed how migration, displacement and planned relocation can affect adaptation to environmental and climate change. It presented findings from six countries, including the Dominican Republic and Haiti. MECLEP also led to the establishment of the Environmental Migration Portal, a one-stop service website to promote new research, information exchange and dialogue on the link between migration and environment.

Gender

The implementation of an EU Gender Action plan in the Caribbean region lags behind that of other regions in terms of meeting the five minimum criteria of gender mainstreaming as set out in the GAP 2016-2020. There are some good performers like Barbados and Guyana, but several others need significant improvement. Half of EU Delegations in the region developed gender analyses for new EU external actions.

Using the 'OECD Gender Marker', the number of projects that do not have any gender responsive or specific activities or are 'gender blind' (value G-0) was reduced to 46.8 % of the EC's portfolio in the region in 2016 against 47.7 % in 2015.

Many delegations engaged in policy dialogue and events to raise awareness of gender equality among stakeholders and government bodies and were planning new gender responsive projects in the near future to improve the implementation. Senior Delegation staff members were appointed as gender champions in Jamaica and Trinidad and Tobago.

Health

In addition to bilateral support in two countries of the region (Belize, Grenada), the EU continued to promote improvements in health in the region through global programmes such as the Global Fund to Fight AIDS, Tuberculosis and Malaria. UNFPA intervenes in Bolivia, Haiti and in Honduras and the Global Alliance for Vaccines and Immunisation (GAVI) supports immunisations in Bolivia, Guyana, Haiti and Nicaragua.

Education

In addition to bilateral support to six countries in Latin America and the Caribbean, the EU continued promoting education in the region through global programmes: the Global Partnership for Education (GPE), and the Education cannot Wait platform.

In the Caribbean, by the end of 2017, under the Erasmus+ programme's International Credit Mobility action, bilateral partnerships supporting 365 students, researchers and staff were financed; two institutions were involved in two Joint Master degree programmes as associated partners; and the first project for capacity building in higher education focusing on Caribbean countries was selected (CITYLAB CAR - Engaging students in sustainable Caribbean Cities).

Culture

In 2017, the African, Caribbean, Pacific Creative Industries and Cultural sector programme ended. The Caribbean Region programme (EUR two million) trained more than 500 people and reached thousands of young people indirectly.

3.2.2.3.3. Case studies: People

EU support for community development in Jamaica

Context

In Jamaica, the European Union-funded Poverty Reduction Programme (EUR 39.6 million) contributes to the implementation of the country's policy for community development. All project activities are carried out through a participatory methodology where community members, Ministries, Departments and Agencies as well as civil society organisations are at the heart of discussions, decisions and implementation. This increases coherence and effective response to the real needs of residents. The centralised monitoring and evaluation framework developed for the government's policy coordination mechanism will ensure more efficient resource allocation and more effective evidence-based policy planning and delivery for all actors implementing community-based initiatives. It will also allow for evidence-based impact assessments.

Objectives

- The project aims to improve economic well-being and enhance the quality of life for residents of 100 crime-prone communities.
- The strategic implementation plan and monitoring and evaluation framework have been developed for the government's overall policy coordinating mechanism.
- Direct initiatives for 40 of the targeted communities have been carried out.

Impact

- ✓ More than 33 educational institutions in under-served communities have been rehabilitated or constructed to meet national standards, thereby improving quality access.
- ✓ More than 300 vulnerable young persons have received scholarships and internships – improving their chances of gainful employment and minimising the likelihood of engagement in risky behaviour.
- ✓ 150 young persons involved in or in danger of becoming involved in gang-related activities were successfully diverted.
- ✓ Seven out of 12 police stations have been rehabilitated to facilitate more effective community policing activities as part of a wider thrust to improve police-citizen relationship and improve citizen security.

Urban development in Haiti

Context & Objectives

The urban development programme PARAQ (EUR 56 million) in Haiti ended in 2017 having secured significant results.

Impact

- ✓ Nine development plans were developed for the nine programme districts in Port-au-Prince (and Petit Goâve): Baillergeau, Martissant, Delmas, Christ-Roi, Grand Ravine, Carrefour, Petit Goâve, Haut Turgeau/Debussy and Desprez.
- ✓ 170 000 people benefited, either through public improvement works such as squares, corridors, roads, drainage infrastructure, neighbourhood houses, libraries, etc. or individual houses.
- ✓ More than 15 000 people were informed of or trained in safe construction methods, including more than 1 300 construction professionals and more than 5 800 families.
- ✓ 1 000 houses have been reinforced or rebuilt.
- ✓ 11 500 metres of corridor, road and drainage infrastructure were built, strengthened and/or upgraded, including 2 586 linear metres of pathway development, 2 897 metres of main roads created or rehabilitated, and 1 798 metres of consolidation work on ravines or gullies.
- ✓ 60 companies were created, fostering new income-generating activities that benefited nearly 900 people. The sectors concerned include the building industry and also other sectors as diverse as the environment, fishing, waste management, and catering.

3.2.2.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.2.2.4.1. Implementation

Bilateral including budget support

In Guyana, EU budget support of EUR 30 million was launched in 2017 to fund sea defence and integrated coastal zone management programmes, thereby enhancing Guyana's disaster risk management and resilience to flooding and protecting vulnerable communities. This new programme builds on previous budget support operations in the sea and river defence sector. A yearly average of 3 km of construction works and 30 km of rehabilitation and maintenance interventions were achieved by 2017. In addition, a new sector policy in the area of Coastal Management was established, as well as a comprehensive Coastal Engineering Design Manual.

In Jamaica, a EUR 15 million forestry sector reform programme was launched at the end of 2017, to assist the Government in implementing its newly adopted Forest Policy, which aims at sustainably managing Jamaica's forest resources to enhance inclusive social and economic development while contributing to building the country's climate resilience. Policy support helps to reverse forest degradation, supports reforestation, and strengthens the legislative, policy and institutional

framework of the sector. Economic, social and environmental benefits to the local population through the sustainable utilisation of forest resources will be ensured.

In Cuba, sustainable energy is an EU priority area: a new, EUR 18 million programme was prepared in 2017, aimed at improving policy and regulatory reforms for the promotion of renewable energy and energy efficiency, improving access to foreign investment, and developing local rural electrification projects with the ambitious aim of reaching 100 % energy access. These actions directly contribute to transforming Cuba's energy matrix, reducing fossil fuel import bills, creating jobs and reducing greenhouse gas emissions, towards meeting Cuba's goal of generating 24 % of electricity production from renewable sources by 2030.

Regional

Caribbean states are highly vulnerable to the effects of climate change (extreme weather events such as storm surges, hurricanes, floods; the rise in sea levels; biodiversity degradation; water scarcity) and at the same time, due to their narrow economic base, they lack the resilience capacity to cope with the rising impacts of natural disasters.

The 2017 hurricane season was particularly damaging, with two Category five hurricanes hitting the region back-to-back, causing loss of life and huge devastation to economic, social and physical infrastructure.

In the aftermath of the hurricanes, the EU intervened with humanitarian assistance through the EU Civil Protection Mechanism, further complemented by a EUR 300 million response package for short-term humanitarian relief and medium-term rehabilitation and reconstruction, announced by Commissioner Mimica during the high-level CARICOM pledging conference in November 2017. This package included EUR 2.9 million in humanitarian assistance to most affected countries, an additional EUR 60.5 million from EDF reserves, and EUR 14 million in frontloaded payments to Anguilla, Turks and Caicos, and Dominica.

The joint Commission services reconstruction strategy follows a build-back-better approach, and supports long term resilience building at the regional, national and local levels.

Caribbean countries are heavily dependent on imported fossil fuels, which represent an average spend of 9 % of their GDP. Electricity tariffs are amongst the highest in the world. This represents a significant burden in terms of balance of payments, but also for household spending and industry competitiveness. As such, the EU supports the Caribbean's transition to renewable energies, an EU focal sector in five countries: Barbados, Belize, Cuba, Dominica, Saint Kitts and Nevis.

In 2017, the EU launched an EUR 9.2 million, four-year 'Technical Assistance Programme for Sustainable Energy in the Caribbean (TAPSEC)', implemented by GIZ. TAPSEC supports the implementation of the CARICOM Energy Policy (CEP) and the Caribbean Sustainable Energy Road Strategy (C SERMS), as well as the National Energy Policy of the Dominican Republic. In particular, TAPSEC supports regulatory reforms to enable renewable energy development and energy efficiency (RE/EE), the identification and establishment of financing mechanisms for renewable energy projects and their accessibility for local and regional RE/EE project developers and to achieve enhanced technical capacity among players in the RE/EE field. Technical / design expertise is provided to the newly established Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE) as a regional institution.

3.2.2.4.2. *Thematic overview*

In 2017 the Caribbean was hit hard by hurricanes causing unprecedented levels of destruction. Following official government requests to the EU, Antigua and Barbuda and Dominica received swift support to carry out Post-Disaster Needs Assessments (PDNA) through the EU-African Caribbean Pacific (ACP) Natural Disaster Risk Reduction (NDRR) programme, implemented by the Global Facility for Disaster Reduction and Recovery (GFDRR). PDNAs are vital for governments in the aftermath of disasters as they pave the way for a consolidated recovery framework taking into account the concept of 'build back better' and addressing social and environmental concerns, including communities and gender.

Haiti is considered one of the countries most vulnerable to climate change, as a result of the significant environmental degradation caused by over-exploitation of forest resources, soils, water, quarries and coastal waters. This degradation reduces the country's ability to absorb the effects of extreme weather events and of climate change. The EU, within the framework of the Global Climate Change Alliance plus (GCCA+) flagship initiative is supporting Haiti in mainstreaming climate change in poverty reduction efforts. Among other achievements, this support has resulted in the establishment of the National Environmental Assessment office, strengthening the direction of climate change activities through the recruitment of technical staff, the signature of two grants for innovative projects in two watersheds vulnerable to climate change, and support to the Ministry of Environment in the preparation of Haiti's Intended Nationally Determined Contribution (INDC).

Due to the risks associated with natural disasters in the region, the EU is active in better land management. Through the project Action Against Desertification, the EU managed to reach directly 6 200 farmers including 40 % women, and helped them develop maps and recommendations on land use, establish twelve agroforestry nurseries and thirty-six farmer field schools, restore over 3 800 hectares of land, and distribute more than 65 tonnes of seedlings.

Marine resources were also at the centre of EU support in the Caribbean both through the BIOPAMA programme (a regional observatory of biodiversity and protected areas) and through eight projects implemented by CSOs on the management of marine protected areas and sustainable fisheries in the Greater Caribbean region (from Yucatan to Guyana Shield and all Caribbean islands).

3.2.2.4.3. *Case studies: Planet*

'iLAND Resilience' in the Eastern Caribbean

Context

In September 2017, the Eastern Caribbean region experienced an unprecedented number of tropical storms, including two Category five hurricanes (Irma and Maria), which devastated Dominica, Barbuda, Anguilla, and the British Virgin Islands, and also impacted St. Kitts and Nevis and Montserrat. The hurricanes further exposed the particular vulnerability of the Organisation of Eastern Caribbean States (OECS) sub-region to climate change and variability and amplified the call for urgent and accelerated action and support towards building resilience through adaptation and mitigation interventions.

The building stock in affected states was significantly destroyed, highlighting the urgent need for adoption, enforcement and systematic upgrading of the Building Codes, and demonstrating the relevance of the recent and ongoing interventions by the OECS EU-GCCA project to update the OECS Building codes and develop best practice institutional and legislative frameworks for implementation.

Objectives

- Amidst the devastation in OECS Member States, multiple physical adaptation pilots implemented under the EUR 10.6 million OECS EU-GCCA project withstood the ravages of the hurricanes and stand as proven practice for design and implementation of adaptation and resilience building in the region.
- These include coastal revetments in Cane Garden Bay (Tortola, BVI) and Coconut Walk (Nevis), and flood mitigation interventions in Brewers Bay (Tortola, BVI) and in Sandy Ground (Anguilla). These and other completed and ongoing works have already demonstrated best practices in climate change adaptation and are ready for replication and upscaling elsewhere.

Impact

- ✓ The 'iLAND Resilience' initiative has upgraded capacity of key institutions by delivering tools and training in relevant disciplines such as 'Geographic Information Systems (GIS) and is supporting policy dialogues, awareness and education on Climate Change and Sustainable Land Management issues.
- ✓ Several frameworks have been / are being strengthened, including National Land Policies, Climate Change Policies, Environmental Management legislation, Physical Planning Plans and Regulations, across multiple Member States.
- ✓ The Results Oriented Monitoring Report of December 2017 concluded that the project is "highly relevant and well managed. ... progress is good ... key stakeholders participate actively and ownership is high ..."

3.2.2.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.2.2.5.1. Implementation

Bilateral including budget support

Most Caribbean economies are characterised by tourism dependency and narrow domestic markets, high indebtedness and an undiversified productive base, which limit countries' resilience to external shocks. Other common challenges include low growth, income inequality and youth unemployment.

Under the 2014-20 programming period, three countries (Dominican Republic, St Lucia, Trinidad & Tobago) have private sector development and competitiveness as a focal sector and two countries (Suriname, St. Vincent) have a rural development/rural infrastructure focus. During 2017, the EU launched a EUR six million programme in St Vincent and the Grenadines to rehabilitate rural roads for climate resilience and local economic development and a EUR 13 million programme - implemented by the FAO-.on sustainable agriculture in Suriname, to support export horticulture value chains and sanitary and phytosanitary (SPS) compliance.

Regional

EU priorities and programming support regional integration, private sector development and cooperation initiatives and policies, in order to facilitate intra-regional and international trade, investments and mobility, aligning with the 2008 EU-Caribbean Economic Partnership Agreement (EPA).

The issue of Prosperity was central under the 10th EDF. Three large programmes, strongly interconnected, were funded by the EU: the EPA support measures programme (EUR 46 million), the CARICOM Single Market and Economy (CSME, EUR 27.5 million) and the Private Sector Development Programme (RPSDP, EUR 28.3 million). The latter, implemented by the Caribbean Export Development Agency (CEDA) has enhanced the Caribbean's private sector competitiveness and innovation, promoted trade and export development, strengthened trade and investment relations between CARIFORUM, the French Outermost Regions FCORs and the EU Overseas Countries and Territories (OCTs) in the Caribbean and investment relations between CARICOM and the Dominican Republic. CEDA's institutional capacity to implement trade and investment programmes in the region has been strengthened through a Direct Assistance Grant scheme which helped private sector stakeholders to achieve critical targets in their business plans as well as to further develop and expand their businesses. Technical Assistance and Training activities (ProNET scheme) complemented by study tours were provided. As a consequence of these results, a second phase (EUR 24 million) of the programme under the 11th EDF started to be implemented in 2017.

3.2.2.5.2. Thematic overview

Most Caribbean countries have reached a 90 to 100 % electrification rate. Haiti is a notable exception with only 29 % of its 10 million population having electricity access. Energy efficiency and renewable energy opportunities are vast. A challenge is – as in most developing countries – to attract private sector investment. Throughout 2017, the EU Technical Assistance Facility continued to support the design and enforcement of national energy policies and action plans that prioritise sustainable energy and boost investments in the sector. Blending through the Caribbean Investment Facility and ElectrIFI are two examples of how the EU incentivises private sector investments by covering part of the risk. Through ElectrIFI, the EU supported the micro-utility start-up Sigora Haiti, which connected 3 420 households in Haiti's north-western peninsula. During 2017, the clean-energy micro-utility expanded with a five-fold increase in the number of households now having access to electricity. Sigora customers are presently part of a small minority of citizens who have 24/7 access to electricity 24/7.

3.2.2.5.3. Case studies: Prosperity

CEDA brings the private sector to the development table

Context

The Caribbean Export Development Agency (CEDA) was responsible for implementing the Private Sector Development Programme (RPSDP, EUR 28.3 million across the region. CEDA's institutional capacity to implement trade and investment programmes in the region was strengthened through a

Direct Assistance Grant scheme which helped private sector stakeholders to achieve critical targets in their business plans as well as to further develop and expand their businesses

Objectives

- The RPSDP looked to enhance the Caribbean's private sector competitiveness and innovation, promote trade and export development, strengthened trade and investment relations between local partners.

Impact

During 2017, CEDA:

- ✓ Conducted three pilot meetings to roll out the upgraded Diagnostic Assessment Tool to Business Support Organisations (BSOs), in Trinidad and Tobago, Belize and Saint Lucia.
- ✓ Hosted a two-day Productivity Network (ProNET) training programme on Energy Management for SMEs in Barbados in September.
- ✓ Facilitated two Energy Management Training Programmes in Saint Lucia and Jamaica.
- ✓ Sponsored the attendance of seven CARIFORUM firms at the ANUGA food fair in Germany in October, to increase awareness of CARIFORUM specialty foods in the EU and German markets, with a view to increasing CARIFORUM exports to those markets while promoting the Agency's Caribbean Kitchen brand and providing high visibility to the EU support.

3.2.2.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.2.2.6.1. *Implementation*

Bilateral including budget support

In Jamaica the EUR 12.6 million Justice, Security, Accountability and Transparency Project was under full implementation in 2017, providing institutional support to courts, the Ministry of Justice and the Ministry of National Security. The project developed case management systems to assist in the fight against organised crime, money laundering and corruption; and supported civil society organisations to increase oversight of children's rights legislation, and fight against domestic, sexual and gender-based violence against women.

Good governance, effective public administration and efficient use of public finances, including internal revenue mobilisation, are all key issues for sustained and inclusive development in the Caribbean.

Anti-money laundering, transnational crime and terrorism financing, financial transparency and the fight against tax-avoidance practices are also key challenges for both the EU and the Caribbean region.

In 2017 the EU committed to four new public financial management (PFM) programmes. In Antigua and Barbuda, a EUR 2.4 million programme supporting revenue administrations and PFM reform was adopted and will be implemented by the World Bank. In Jamaica and the Dominican Republic, new PFM reform programmes build on the successful results of the PFM dialogue launched under previous budget support operations. A new PFM programme in Belize may lead to eligibility for

future budget support operations. All programmes contribute to the objectives of the EU flagship initiative of "collect more - spend better".

Regional

Citizen security with a preventive approach and a focus on root causes (e.g. domestic violence, drugs, rise of transnational crime, and corruption), is key for the EU and the region due to the Caribbean's location on the main drug routes to North America and Europe. The Caribbean has one of the highest homicide and crime rates in the world. Homicides rose by 20 % in 2017 in Jamaica and St. Lucia; incarceration rates and pre-trial detention remain among the highest in the world, caused, *inter alia*, by a low effectiveness of the criminal justice system. The CARICOM Security Strategy provides a useful framework for further cooperation in this area.

In 2017, regional security related projects under the 10th EDF Regional Indicative Programme for the Caribbean (CRIP - EUR 12 million) trained law enforcement and border security officials to detect and prevent incidences of trafficking in drugs, illicit arms and human beings and enhanced their skills, attitudes and competencies when dealing with drug addiction, domestic violence and sexual offences. EU training also covered customs and excise control, maritime policing duties, natural disasters, pollution control, prevention of smuggling, protection of offshore installations and exclusive economic zones.

The EU supported the Caribbean Financial Action Task Force (CFATF) for a regional training and accreditation programme for Financial Investigators and Analysts. The CARICOM Implementation Agency for Crime and Security (IMPACS) was supported to install and expand the Advanced Passenger Information System (APIS) in three Immigration, fourteen Customs Departments and fifteen Specialist Units in CARICOM Member States; install the Advanced Cargo Information System (ACIS) in at least thirteen Member States; and develop a training curriculum for a regional training and certification programme for ballistic experts and firearms examiners.

IMPACS delivered several joint border security trainings for customs, excise and immigration officers in the region to improve officers' screening and interviewing techniques and enable awareness of different institutional cultures, assets, administrative and operational procedures, reduce overlapping authority and foster joint strategies in addressing common security threats in the region.

EU support to the CARICOM Secretariat for a Drug Demand Reduction (DDR) Programme will establish drug treatment courts and services, and support resilience against drug use in at risk students and out of school youth.

In collaboration with the Inter-American Drug Abuse Control Commission (CICAD) of the Organisation of American States, the DDR programme organised workshops to promote the 'drug treatment court' model of alternative sentencing and to standardise and strengthen capacities to gather, analyse and report on drug-related information, foster evidence-based drug policies, and enhance networking of drug treatment and rehabilitation centres.

In 2017 new programme identification under the 11th EDF Caribbean Regional Indicative Programme (CRIP) resulted in the approval of a EUR five million multi-country programme on border security for Jamaica, Haiti and the Dominican Republic; an EUR 8.5 million combined programme on cybersecurity, financial compliance and assets for the CARIFORUM region; a EUR 14 million multi-country support on the effectiveness of criminal justice sectors (Guyana, Suriname, Trinidad and

Tobago, Antigua & Barbuda, Saint Kitts and Nevis, Saint Lucia, Belize, and possibly Haiti); and a follow-up programme to support CARICOM IMPACS in consolidating the APIS and ACIS systems , as well as to support the Regional Security System (RSS) to train law enforcement personnel.

The ACP-EU Migration Action conducted a few training sessions for law enforcement officers in the region on combating trafficking in persons, to increase awareness and build capacities around the four 'Ps': Prevention of engagement in trafficking activities, Protection of victims, Prosecution of criminals, and the establishment of Partnerships between the various actors involved.

3.2.2.6.2. Crisis response and preparedness

In 2017 the Instrument contributing to Stability and Peace (IcSP) concluded the Global Crisis Response Support Programme (GCRSP), a 26-month action aimed at strengthening the capacities of Latin American and Caribbean regional organisations in early warning. This capacity building included increasing regional and international cooperation, training personnel in new skills, enabling the creation of a virtual crisis room and ensuring a gender perspective in early warning. The programme targeted the Organisation of American States and four other Caribbean regional organisations.

In Haiti and the Dominican Republic, efforts continued to face a potential migratory crisis that fuels tensions between the two countries, by implementing a set of inter-connected community-oriented and rights-based interventions for at-risk populations both in the Dominican Republic and Haiti.

3.2.2.6.3. Thematic overview

The European Instrument for Democracy and Human Rights (EIDHR) promotes geographical balance in its global calls for proposals for civil society. Each Lot includes projects implemented in Latin America and the Caribbean under all EIDHR priorities: human rights defenders, the fight against death penalty, the fight against torture, economic and social rights, anti-discrimination, etc. This, in addition to local calls for proposals launched by the EU Delegations through the Country-Based Support Scheme (EIDHR allocations managed directly by the Delegations), and various mechanisms for the protection of human rights defenders, ensures that attention is given to the most difficult human rights challenges in the region.

3.2.2.6.4. Case studies: Peace

<p>State building in Haiti</p> <p>Context and objectives</p> <p>Budget support operations are organised through specific State Building Contracts (SBC) aiming at rebuilding the basic capacities of the State. Clear progress has been registered in Haiti under the ongoing SBC I with a total budget of EUR 112 million (March 2014 to March 2018), that is built around the three axes of political dialogue, financial assistance and technical assistance.</p> <p>Impact</p>

Concrete achievements of the programme during 2017 include:

- ✓ The set-up of a structural and permanent trilateral dialogue between Government, Parliament and Civil society on reforms and of a multilateral coordination dialogue between donors (chaired by EU) and Government on Public Finance Management.
- ✓ Laws defining wage scales for different categories of public servants were adopted and a performance-based evaluation system was set-up in several ministries.
- ✓ Several measures to reinforce the fight against corruption were introduced. For example, a law on Prevention and Repression of Corruption was adopted in 2014 and the *Unité de lutte contre la corruption's* budget was significantly raised (+58 % rise in 2016) allowing an increase in the scope of its work, including an updated system for asset declaration of politicians.
- ✓ Tax revenues consistently increased (a +13 % growth trend has been registered in 2015-2016 and 2016-2017; early 2017-2018 data point to an even bigger +30 % growth).

Security and development nexus in the Caribbean

Context

Several security-related projects under the 10th EDF are financed under the Caribbean Regional Indicative Programme (CRIP) with CARIFORUM with a budget of around EUR 12 million.

Objectives

- The EU initiatives focus on reducing drug demand, preventing crime and violence and combating illicit drug trafficking, related transnational criminal activities and financial crimes.

Impact.

- ✓ In partnership with the Regional Security System (RSS), training was provided to law enforcement and border security officials to detect and prevent incidences of trafficking in drugs, illicit arms and human beings as well as to enhance their skills, attitudes and competencies when dealing with drug addiction, domestic violence and sexual offenses.
- ✓ Support was provided to the Caribbean Financial Action Task Force (CFATF) for a regional training and accreditation programme for Financial Investigators and Analysts Support was provided to CARICOM's Implementation Agency for Crime and Security (IMPACS) to install and expand the Advanced Passenger Information System (APIS) in three Immigration, fourteen Customs Departments and fifteen Specialist Units in CARICOM Member States, to install the Advanced Cargo Information System (ACIS) in at least thirteen Member States, as well as to develop a training curriculum for a regional training and certification programme for ballistic experts and firearms examiners.
- ✓ The CARICOM Secretariat received funding for a Drug Demand Reduction (DDR) Programme that will establish drug treatment courts and which is also aimed at tackling resilience factors for youth against drug use in at risk students and out of school youths, as well as treatment services for adolescents.
- ✓ The CARICOM Secretariat also implemented a Crime & Violence Prevention Programme that aims at promoting community cohesion and giving troubled youth-at-risk a chance to change their lives.

✓ A programme with the Dominican Republic institution *Dirección Nacional de Control de Drogas* and *Consejo Nacional de Drogas* was also implemented.

3.2.2.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.2.2.7.1. *Implementation*

Bilateral including budget support

In Cuba the EUR 7.9 million Support to Economic Modernisation provides tailor-made European expertise in a flexible manner to Cuban authorities, in a twinning-like arrangement. Experts from EU Member States support the modernisation of Cuba's economic and public administration through sharing best practices on improving the effectiveness of the tax collection process and promoting modern management methods. This tool not only matches expertise from different EU Member States with specific Cuban needs, it also helps to build trust in order to deepen the mutual engagement.

Regional

The Economic Partnership Agreement (EPA) between the EU and CARIFORUM is a tailor-made partnership signed in 2008 to open up the market gradually between the two regions. Several programmes, which help the private sector to reap the benefits of the EPA, are delivered either at multi-country level (for example, Haiti and Dominican Republic) or regionally (for example, as wider-Caribbean cooperation involving also Overseas Countries and Territories (OCTs) and the French Outermost Regions (FCORs).

The Caribbean Investment Facility (CIF) is an EU blending mechanism leveraging investments through international financial institutions (IFIs). It was created in 2012 to respond to the needs in infrastructure development and investment in the Caribbean ACP countries. EUR 135 million was allocated to CIF under the Caribbean Regional Indicative Programme (CRIP) for the period 2015-2020, supporting projects at either bilateral, multi-country or regional scale.

As per declarations of the EU-Cariforum Sustainable Energy Conference in Barbados in October, 2016, renewable energy and climate change resilience are increasingly present on the agenda of EU-Caribbean relations, with a focus on enhancing the participation of IFIs and the private sector in strategic projects, as key vectors of development.

Currently, 12 CIF projects representing almost EUR one billion of investment are on-going in different Caribbean countries. During 2017, three new projects were operationalised, on sustainable water supply in Suriname (AFD, EUR 15.8 million), on energy management and efficiency in Jamaica (Inter-American Development Bank - IADB, EUR 3.5 million) and on geothermal energy regionally (Caribbean Development Bank - CDB, EUR 412 million).

3.2.2.7.2. *Thematic Overview*

In 2017, six Caribbean countries benefited from CSO country allocation for a total of EUR 4.9 million and no LA country allocations were made.

These allocations are managed by the EU Delegation in each country through local calls for proposals.

3.2.2.7.3. *Case studies: Partnerships*

10th EDF in the Caribbean

Context

The 10th EDF 'Economic Partnership Agreement (EPA) support measures programme' (EUR 46 million) was signed in 2012 and ended in September 2017. Through its seven components the Caribbean region and the EU have cooperated on a wide range of trade-related issues directly impacting in job creation in the Caribbean countries under the EPA umbrella.

Objectives

- This partnership programme supports strong governance structures and delivers solid results through the provision of EU expertise via European national agencies, specialised institutes and labs, and private sector organisations. The programme favours deeper regional integration through a focus on general trade matters, fiscal aspects, design and analysis of statistics and effective implementation of sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT).

Impact

- ✓ The institutional and implementation capacity component of this programme (EUR 10.8 million) has focused on competition, public procurement as well as customs and trade facilitation.
- ✓ Implementation capacity at the national level has been strengthened through the training of over 2 000 government officials and other private sector and civil society stakeholders, from all CARIFORUM countries.
- ✓ Further, support has been provided to all national EPA focal points as well as the CARIFORUM EPA Unit.

3.3. Asia, Central Asia, Middle East/Gulf and Pacific

3.3.1. Asia

3.3.1.1 Introduction (Policy Developments)

The EU and the Association of Southeast Asian Nations (ASEAN) celebrated in 2017 the 40th anniversary of the establishment of official relations. European Council President Donald Tusk attended in November an ASEAN-EU Commemorative Summit hosted by President Rodrigo Duterte in Manila, and was also invited, for the first time, to the East Asia Summit lunch as Guest of the Chair. In August, HR/VP Mogherini attended in Manila the annual ASEAN-EU Post-Ministerial Conference with ASEAN Foreign Ministers, which adopted the second ASEAN-EU Plan of Action 2018-2022. She also participated in the 24th ASEAN Regional Forum.

The 13th ASEM Foreign Ministers' Meeting was held on 20-21 November in Nay Pyi Taw, Myanmar, where the ASEM definition of Connectivity was adopted.

The 19th EU-China Summit which took place in June 2017 demonstrated a shared commitment to address global and regional issues such as climate change and security threats. Under the umbrella of the EU-China 2020 Strategic Agenda for cooperation, the EU and China organised over 50 substantive sectoral and political dialogues in 2017. The EU continues to implement the EU Strategy on China adopted in 2016 as the guiding policy framework for its relations with China.

At the EU Japan summit in July, leaders announced a political agreement on an ambitious EU-Japan free trade deal and closer political cooperation based on shared values, human rights, democracy and rule of law, with negotiations subsequently focusing on the finalisation of the respective agreements. The EU-India 14th Summit in October in New Delhi achieved a substantial outcome with a Joint Statement covering all areas of bilateral cooperation and three separate joint declarations, on counterterrorism, clean energy and climate change, and on smart and sustainable urbanisation.

EU Ministers of Foreign Affairs approved a new EU strategy on Afghanistan in October 2017, reconfirming the EU's and Member States' long-term commitment to promoting peace, stability and prosperity in Afghanistan and to support its sustainable development. The Cooperation Agreement on Partnership and Development (CAPD) between the European Union and the Islamic Republic of Afghanistan started to be provisionally applied from 1 December 2017. The provisional application of the agreement covers cooperation in a number of important areas, *inter alia* human rights, gender equality, development cooperation, trade and investment matters, migration and regional cooperation.

Negotiations on the new EU–Pakistan Strategic Engagement Plan (SEP) were finalised in view of the expiry of the five-year Engagement Plan at the end of 2017. The SEP aims at strengthening cooperation in the following areas: Peace and Security; Democracy, Rule of Law, Good Governance, and Human Rights; Migration and Mobility; Trade and Investment; Sustainable Development including Energy; Education and Culture; and Science and Technology.

The EU signed political agreements on wide ranging areas of cooperation both with Australia, the EU Australia Framework Agreement, and with New Zealand, the EU New Zealand Partnership Agreement

for Relations and Cooperation. In 2017 work continued towards the signature of the FTAs with Singapore and Vietnam and the ratification of the EU-Philippines Partnership and Cooperation Agreement.

The EU was intensely engaged politically to help address the Rohingya refugee crisis in Bangladesh and Myanmar and stepped up its humanitarian efforts, co-hosting the UN Pledging Conference on 23 October 2017 and making the largest pledge among all donors. In November HR/VP Federica Mogherini visited the refugee camps and met with the Bangladeshi Prime Minister. Good progress has been made on cooperation on migration with Bangladesh in the framework of the standard operating procedures for return of irregular migrants. Foreign Affairs Council (FAC) conclusions on Myanmar were adopted on 16 October 2017 emphasising the need to stop the violence, to allow access to implement refugee return, to cooperate with the UN and to address the root causes of the crisis. The EU welcomed the arrangement between Bangladesh and Myanmar on return and urged that it be fully implemented according to international standards with a strong role for the UNHCR.

Considering the DPRK's accelerating nuclear and ballistic missile programmes, the EU reaffirmed its policy of critical engagement which combines pressure with sanctions and other measures while keeping communication channels open. The EU sanctions regime towards the DPRK was among the most restrictive in operation.

EU has strongly reacted to the deterioration of the political situation in Cambodia in 2017 through several EEAS and local statements as well as an European Parliament resolution calling for remedial action. The EU expressed also its concerns about human rights issues in the Philippines on numerous occasions. On the basis of Council Conclusions adopted in December 2017 the Council of the EU decided to resume political contacts at all levels with Thailand in order to facilitate meaningful dialogue, including on human rights and fundamental freedoms and the road towards democracy.

In May 2017 the Synchrotron-light for Experimental Science and Applications in the Middle East (SESAME) started operating in Jordan. The EU has supported the initiative with EUR 15 million so far and recognises its potential to foster a culture of peace and cooperation through science in the region.

In 2017, a number of important research and innovation activities were pursued with Iran in the context of the EU-Iran renewed partnership, giving research a pivotal confidence-building role in EU – Iran relations. This comprised the second meeting of the EU-Iran working group on science, research, technology and innovation and a back-to-back Higher Education and Research event was held in Tehran.

3.3.1.2 Working Better Together, Development effectiveness, and donor coordination

In Afghanistan, the EU reaffirmed itself as a key strategic partner of the Government following the 2016 Brussels Conference on Afghanistan and the first disbursement of EUR 100 million as part of the State Building Contract. With the introduction of budget support directly managed by the EU Delegation, the EU played a more important role in the country's development trajectory than ever before. In Kabul, the EU ensured effective coordination with EU Member States with other donors in the most important contexts such as the multi-donor and UN-led Afghanistan Reconstruction Trust Fund and the Law and Order Trust Fund for Afghanistan. In addition, important steps were taken to

re-align the EU's Multi-annual Indicative Programme with the national reform programme, in particular the Afghanistan National Peace and Development Framework and the ten national priority programmes, which focus on issues including women's empowerment, agriculture and infrastructure development. Mutual accountability is a key principle for the Government of Afghanistan's efforts to implement reforms and for the international community to improve aid efficiency. Its principles and benchmarks are monitored through a mutual accountability framework, which was renewed at the Brussels Conference.

In Myanmar and Bangladesh, the EU and several Member States continued to work with partner country governments to improve the transparency of their aid data and the use of the International Aid Transparency Initiative (IATI) in their aid management platforms.

In 2017, the first annual review of the Joint Programming Document for Laos took place with the government, EU Member States and development partners. The EU, the EU Member States (Finland, France, Hungary, Germany, Ireland, Luxembourg and the United Kingdom) and Switzerland confirmed the relevance of the strategy and the commitment for Laos to graduate from Least Developed Country status by 2020. Total support amounts to about EUR 500 million, with the EU contributing EUR 207 million.

In Cambodia, European partners have been implementing a joint programme since 2014 (European Development Cooperation Strategy 2014-2018). As part of the follow-up of the high-level policy dialogue, held in 2016, the joint European strategy was updated in early 2017. In mid-2017, Belgium joined the group as an active European partner and the European Joint Programming in Cambodia now brings together 11 partners: the EU, nine EU Member States (Belgium, Czech Republic, Finland, France, Germany, Ireland, Italy, Sweden and the United Kingdom) and Switzerland. It was agreed to extend the joint strategy for one year to the end of 2019 which will provide European development partners with sufficient time to assess the contents of the next National Strategic Development Plan 2019-2023 that is under preparation. The next joint European Strategy would therefore cover the period 2020-2024. The joint European programming contributes to improving effectiveness of development results by using country systems and improved coherence.

Bilateral development cooperation with China and India, as graduating countries, is being phased out. The EU-India cooperation portfolio in 2017 consisted of projects across human development and migration (for example the European Instrument for Democracy and Human Rights), sustainable growth and development (including the EU-India Capacity-Building Initiative for Trade and Development), clean energy, environment and climate change. China's cooperation portfolio consisted of projects in human rights, rule of law and economic cooperation, science, research and social protection (for example the EU-China Social Protection Reform Project), civil society, environment, urbanisation (for example. Technical Assistance to Sustainable urbanisation – Europe China Eco-Cities Link).

3.3.1.3 PEOPLE – Human Development and dignity

3.3.1.3.1. *Implementation*

Migration and forced displacement continued to be a priority for the EU in the region. Activities included in the 2016 'Special Measure on Improving Reintegration of Returnees in Afghanistan,

Bangladesh and Pakistan' started implementation while activities under the 'Aid to Uprooted People programme' reached their final phase. Among the latter, a significant effort took place to guarantee complementarities between development, humanitarian, and security actors in Afghanistan, in order to better address challenges posed by forced displacement and migration. In partnership with government, UN agencies and NGOs, the EU supported efforts to deliver sustainable solutions for the return, reintegration and inclusion of displaced populations in Afghanistan, with particular emphasis on economic integration and livelihoods.

In Pakistan, programmes in rural development, education/TVET, and governance continued to address the root causes of migration. In Bangladesh, the complexity of hosting an already existing refugee population multiplied with the large influx of more than 680 000 Rohingya refugees from Rakhine state in Myanmar. In response, the EU increased its funding and extended the implementation period for its ongoing project providing protection services for Rohingya refugees in Bangladesh.

In Afghanistan, the EU continued its contribution to the country-wide provision of basic health care and hospital services through the SEHAT programme, including support for partnerships between the Government and non-governmental organisations for service coverage in contested or insurgent-held areas. Current EU funding covers the cost of servicing approximately one-third of the patients seeking government health services country-wide.

To support universal access to quality education and training, the EU provided EUR 20 million to the Education Sector in the province of Balochistan in Pakistan aimed at enhancing access and quality schooling with a special emphasis on girls' education. In 2017, the Balochistan Examination & Assessment Commission (BEAC) was set up and now conducts annual standardised examinations at grades five and eight. In 841 schools, parents have been trained to implement School Development Plans that contribute to improving learning environments and the availability of basic facilities. Finally, through an Education Management Information System all schools in the province are monitored at least once every two months and appropriate remedial actions are initiated.

In Nepal, following the earthquakes in 2015, the EU released a second budget support instalment of EUR 40 million in 2017 in the framework of the Nepal-EU Action for Recovery and Reconstruction programme to help affected communities rebuild their houses and schools and make infrastructure better and safer. Together with UNICEF, the EU also achieved the objective of building 650 Transitional Learning Centres.

In Vietnam, the EU has been supporting equitable access to quality health services for the last 20 years, with a specific focus on the most remote and poor provinces. In 2017, our last budget support payment was disbursed. However, at least until 2019, the EU will continue providing complementary technical assistance that will serve as an exit strategy from the sector while providing the basis for future sustainability.

As an example, the EU's technical assistance will work on health financing to help Vietnam. EU support to the health sector has been very successful. During the last 20 years, health insurance coverage has increased from around 15 % to 78 %. Births attended by professional health staff increased from 77.1 % in 1997 to 98 % in 2015 and maternal mortality rate (out of 100 000 live births) has decreased from 107 in 1995 to 54 in 2015. Both the infant mortality rate (out of 1 000 live births) and the under-fives mortality rate (out of 1 000 live births) have halved over the same period.

Under the Erasmus+ international credit mobility scheme, 335 academic projects were funded in 2017 with a total value of EUR 18 million from the Development Cooperation Instrument, which allowed over 3 000 participants from Asia to study in Europe and 1 925 participants from Europe to study in Asia. 83 Master degree scholarships were also awarded in the Asia region and 72 Asian Higher Education Institutions participated in 45 capacity building projects either as coordinator or as partner institution.

‘Support to Education reform in Indonesia’ (EUR 320 million) has contributed in 2017 to education quality and improved gender equity for girls and boys in primary and secondary school. In this framework, the EU supported the design and the implementation of the National Education Policy, as well as the new Education Sector Strategic Plan 2015-2019 and the Minimum Service Standards Strategy, implemented in 16 provinces (corresponding to 108 districts, 54 729 schools and regrouping seven million students). The programme finished at the end of 2017.

3.3.1.3.2. Thematic overview

In Asia, EU support has been steadily climbing to enhance the nutrition of vulnerable populations and increase resilience of livelihoods. Adequate nutrition during the critical 1 000-day window from a mother’s pregnancy to her child’s second birthday, has a significant impact on physical and cognitive development. In Laos, the EU has implemented the Northern Uplands Food and Nutrition Security Improvement Project with a focus on supporting mothers and children during the first 1 000 days. This programme provides capacity building for local authorities, supports the development of vegetable gardens and helps educate mothers and provides information that will facilitate a healthy pregnancy and the first years of a child’s life.

3.3.1.3.3. Case studies: People

Partnership for enhanced Nutrition in Nepal



Context

With EU support, Nepal has formulated and adopted a Multi-Sector Nutrition Plan (MSNP). Six sectors, health, education, water and sanitation, women and children, local infrastructure and

agriculture, are contributing and cooperating to reduce malnutrition in Nepal. For this project, the EU partners with UNICEF.

Objectives

To improve maternal, infant and child nutrition particularly in the poorer segments of society in 28 targeted districts of Nepal. Specifically:

- Implementing policies, plans and multi-sector coordination improved at national and local levels.
- Encouraging practices that promote optimal use of nutrition 'specific' and nutrition 'sensitive' services leading to an enhanced maternal and child nutritional status.
- Strengthening multi-sector nutrition information, monitoring and evaluation for central and local governments to provide basic services in an inclusive and equitable manner.

Impact

- ✓ MSNP coordination mechanisms now fully functional in the National Planning Commission and at the district and village development committee (VDC) level.
- ✓ Nutrition observed in the design and formulation of local governance policies and programmes, such that annual and multiyear plans of all the relevant sectors reflect indicators and targets for nutrition sensitive and specific interventions that will contribute to the reduction of maternal and child undernutrition in all 28 districts by the end of 2018.
- ✓ Strengthened nutrition capacity of MSNP implementing agencies as per evidence-based capacity building strategy.
- ✓ Knowledge on nutrition and especially on the “1000 golden days” increased among the general public and Government staff at a variety of levels.
- ✓ Community workers from all sectors involved in MSNP implementation using evidenced-based approach, participatory tools and methods as per the national guideline.
- ✓ National evidence base (central repository) for nutrition information established and providing information to stakeholders.
- ✓ District Poverty Monitoring and Analysis System (DPMAS) and management information systems of the six sectors aligned with the MSNP.

Testimonial: Community chickens



Doti, Nepal: The noise coming from inside a shed built of blue corrugated iron sheets this chilly November morning is loud enough to be heard quite a distance away. But Sharada Khadka, who is rubbing her hands together to warm them before proceeding to transfer the contents of a half-full sack of feed into a green bucket, seems utterly oblivious to the commotion.

The crowing and hustling increases in intensity when Khadka opens the door to the shed, which houses over 200 chickens. They mill busily about her feet as she pours the feed into an overhung conical bucket. And then the feasting begins. While the birds peck at their food, Khadka goes around the small space, collecting 10 eggs, and closes the door when she leaves.

This farm, overlooking a rugged stretch of terrain in Baghkakani, Doti, isn't just an average poultry farm: it is a community poultry operation run by a team of 20 women, led by Khadka—a mother of two—in the capacity of chairperson. In fact, all members of the group are mothers, specifically mothers of children less than 1 000 days of age.

The Melmilap Community Organisation's innovative efforts to involve mothers in nutrition-related activities is exemplary. And Khadka herself is proof of what an educated woman can do for other women, particularly in rural areas like this, when she possesses an iron sense of commitment and the right backing.

The farm was set up with financial support worth some EUR 800) from the District Agricultural Office (DAO) as part of the Multi-Sectoral Nutrition Plan (MSNP). The shed was constructed with this seed investment, and once it was ready, the DAO provided them with 320 chicks—15 for each member and an extra 20 on top. The technical support for the programme is provided by UNICEF with funding from the EU.

Five months since the first batch of chicks arrived, the group has been able to sell chickens with the money reinvested to buy feed. And as the hens have begun to lay eggs, the women have also been selling these to the community.

“Now that the farm is running well, we want to encourage 1 000-day mothers to buy the birds and eggs for their own consumption,” says Khadka. In this vein, at least once a month, she summons a meeting of her group to discuss plans to increase efficiency on the farm, as well as educate members on important issues like nutrition.

One of these members is Sumitra Joshi, 22, a mother of a three-month-old daughter. Joshi says that throughout her pregnancy, she ate a balanced diet of vegetables, meat, eggs and dairy every day, and continued that practice even after she'd given birth.

“Being part of the group has helped me to really internalise the message that a proper diet is essential to the health of both mother and child,” says Joshi. “And now, not only do I help run the farm, I'm also one of its customers.”

To convince more mothers to eat healthy, Khadka is planning on discussing with the MSNP team about subsidising the price of products for the members of the group. “That would be a great incentive for them, and help them make better dietary decisions,” she says.

Testimony: Learning lessons the hard way



Bajura, Nepal: When her one-and-half-year-old boy, Sumit, wouldn't stop vomiting, Kamala Nepali decided it was time to get him checked at the District Hospital in Bajura, a short 10-minute walk from her house in Martadi. Once they'd seen the doctor, however, Kamala's concern for her son turned into sheer terror—the child was diagnosed as being severely malnourished, or what she articulated as “raato dekhayo”, a local term referring to the red area of the circumference tape used to measure the mid-upper arm, a common test for malnourishment.

“I thought he was a healthy child, you know? He weighed three kilograms, I thought that was normal,” she says.

The family was naturally distraught upon receiving news of the child's illness. Until now, Kamal had only heard of a few children in the neighbourhood who had been born thin and underweight and were being treated.

Soon after, Sumit was taken to the Bayalpata Hospital, a referral centre for malnourished children in the region. There, he was kept under the watchful eyes of health professionals and female community health volunteers. A team deployed to support the Multi-Sector Nutrition Plan (MSNP) was also on hand to assist and support the family.

For over a week or so, Sumit was fed nutritious flour blends and a variety of locally-available food items, particularly eggs and meat. With that diet, the boy gradually grew in strength, until he was finally able to leave the facility and go home.

Today, Sumit is a healthy child, marked “green”, an indication that he is no longer suffering from poor nutrition. And the whole incident has also put Kamal and her family on high alert regarding the importance of a good diet; she now attends the local mothers' group meetings where such issues are discussed. “I make sure to remind the others to watch what their children are eating,” she says.

3.3.1.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.3.1.4.1. *Implementation*

In Bangladesh, implementation of the project Local Government Initiative on Climate Change (LoGIC) started in 2017. Under the umbrella initiative Global Climate Change Alliance+, this EUR 8 million project will enhance communities' resilience to climate change and related disasters. Co-funded by Sweden, this joint-effort promotes inclusive local level planning and increased funding for community-based climate change adaptation/ disaster risk reduction solutions, supported by a strengthened financing mechanism. Already by the end of 2017, about 200 000 households in the 72 most climate-vulnerable Unions under seven districts were identified for further participation.

In Bhutan, environment and climate change were mainstreamed in two major budget support operations (on local government/fiscal decentralisation and on rural development) with environmental and green economy targets. Bhutan also benefited from a regional project implemented by the International Centre for Integrated Mountain Development (ICIMOD) focusing on rural livelihoods and climate change.

The 'Support to Indonesia's climate change response' (EUR 15 million) continued to be implemented in 2017 in the provinces of Aceh and Papua. Two civil society initiatives in Papua and Aceh performed very well in the preparation of local climate change mitigation action plans in three districts of Papua (a province which still holds the largest natural forests in Southeast Asia), and in Aceh civil society supported the design of the Forest Management Units' structure and plans.

A recently adopted EU cooperation programme of EUR 30 million will support aquaculture development in Cambodia. At the same time, support to both inland and marine capture fisheries is under preparation for implementation (EU contribution of EUR 87 million). This will strengthen the management and conservation of Cambodian fisheries and control systems and support the development of the private sector and improve of the livelihoods of fishing communities, in order to ensure a more sustainable, climate-resilient and inclusive growth for freshwater and marine fisheries.

In 2017, the EU signed a Financing Agreement of EUR 108 million to bring electricity to around 1.2 million people in Vietnam who live in remote rural areas. Under this programme, the EU will also work to improve the regulatory framework to promote investments in renewable energy. This follows the signature in July of a 'Joint Declaration for reinforced cooperation in the field of Sustainable Energy' between the EU, 11 EU Member States and Vietnam with the aim of supporting Vietnam's energy transition towards a greener and more sustainable future.

In Myanmar, the EU supported the drafting of the National Climate Change Policy, Strategy & Action Plan (2017-2030) through the Myanmar Climate Change Alliance. It supports key actors in their decision making at the national and local level to respond to the challenges and opportunities associated with climate change. It also has a vision to develop Myanmar as a nation that is resilient to the impacts of climate change and can harness the benefits of low carbon development for present and future generations in an inclusive manner. In Myanmar, it sustained the implementation of priority adaptive measures (local plans) through a community grant facility to sensitise on local adaptation. The facility delivered small grants for adaptive tangible measures in both urban and rural

contexts, such as adaptive agriculture and crops, irrigation, flood control and sustainable drainage, elevated or cyclone resistant schools, community forestry, livelihoods, as well as training, awareness, and regional to national level advocacy activities in the management of natural resources (water basin) among others.

The SWITCH Asia programme supports reducing the environmental impacts of industrial activities, enhancing the competitiveness of local small and medium sized enterprises, changing consumption practices, and providing policy recommendations for national development agendas. The Sustainable Consumption and Production Facility (EU contribution of EUR nine million) is now available for Asian countries to enhance their technical capacity to formulate and implement supporting policies on Sustainable Consumption. The Production and the Policy Advocacy Component (UN-Environment, EUR 5.5 million) continued to work on regional issues in 2017 such as sustainable consumption and production matters. One additional lot of 11 grant projects was contracted in 2017 (EU contribution of EUR 19 million). Newly selected proposals focus on the food industry, sustainable building and construction and textile and leather industries across nine Asian countries.

In South East Asia, ASEAN-EU cooperation further deepened in 2017 as the EU adopted an integrated programme in enhancing the capacity of the Centre for Humanitarian Assistance on disaster management (AHA Centre) and ASEAN Emergency Response Mechanisms (EUR 10 million) to increase the institutional ownership and strengthen cooperation on disaster response between ASEAN and the EU. Moreover, the EU adopted a support to Enhanced Cooperation in Sustainable Transboundary Water Management in the Lower Mekong Region (EUR five million) in order to enhance the national plans, projects and resources based on basin-wide perspectives, to strengthen the regional cooperation, to better monitor and communicate on the basin conditions and to reorganise the Mekong River Commission.

In Malaysia, 'Tackling Climate Change through Sustainable Forest management and Community development' is being implemented with the Sabah Forestry Department until 2019 (EUR four million). The overall objective is to contribute to sustainable and low carbon development of the state of Sabah. One of the results achieved so far is that carbon is now included as a forest product under the Sabah forest enactment 1968. Community livelihood activities and reforestation are ongoing.

3.3.1.4.2. Thematic overview

The vast continent of Asia contains an astonishing diversity of landscapes and the third largest tropical forest in the world. The EU is active in preventing illegal logging with the EU Forest Law Enforcement, Governance and Trade (FLEGT) flagship. A Voluntary Partnership Agreement with Vietnam has been initiated, negotiations are ongoing with Laos and Thailand and discussions around the FLEGT process have been engaged with Myanmar. The objective is to improve forest governance and ensure that all trade in timber is legal. The EU has supported Cambodia in the analysis of the forest sector. In Indonesia, the first country to provide FLEGT licences, the EU helped monitor the implementation of the Licensing Action Plan and provided assistance to the establishment and functioning of the Independent Forest Monitoring system.

There is a growing global demand for commodities, driven by demographic growth, unsustainable consumption and production patterns as well as unsustainable waste management, that increases the pressure on natural resources and fuels the expansion of agricultural land, often at the detriment of natural forest and other biodiverse ecosystems. A new EU-ASEAN initiative aims to support the ASEAN heritage Parks Network in Southeast Asia. The programme will protect the last wild areas in this region where land-cover change occurs very fast and reduces some of the world’s richest natural ecosystems.

Through the LoCAL multi-country programme in Asia implemented by the UN Capital Development Fund (UNCDF), targeting Bhutan, Cambodia, Lao People’s Democratic Republic, and Nepal the EU contributed to building local capacity to adapt to climate change and build resilience at community level and local supporting climate governance systems. The programme integrated climate change adaptation into local governments’ planning and budgeting systems and supported the implementation of climate change adaptation interventions and investments by local authorities. LoCAL supported local institutions' role in determining resource allocation in the agriculture, water, forest management, fisheries, and climate-resilient small-scale infrastructure, and communities benefitted from locally-determined and needed adaptation activities.

The LoCAL programme in Laos also supported integrated land and landscape management, local governance and planning, pro-poor and pro-rural community livelihoods activities through improved delivery of public agricultural advisory services and supporting the emergence of farmer organisations.

3.3.1.4.3. Case studies: Planet

<p>Green Livestock Farming in Bhutan</p> <p>Context</p> <p>Globally livestock sector plays an important role in climate change with emissions estimated at 7.1 giga-tonnes CO₂-eq per annum, which represents 14.5% of human-induced GHG (Greenhouse Gas) emissions. In Bhutan, the six major sources which are contributing to GHG emissions are: energy, industrial processes, solvent and other product uses, agriculture, land-use changes and forestry, and waste. Green Livestock Practices are promoted in Bhutan as an adaptation measure to address the impact of climate change at the local level through the support of EU GCCA initiative.</p> <p>Objectives</p> <ul style="list-style-type: none">• Enhance the resilience of Bhutan's rural households to the effects of climate change by initiating and adopting Green Livestock Practices.• To provide an alternative livelihood to farmers who have been affected by climate-related damage to other parts of the farming system.• Promote climate resilient native and selected exotic breed species with appropriate and efficient technologies. <p>Impact</p>
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- ✓ Establishment of efficient production and marketing facilities, a Community Milk Collection and Processing Centre in Mongar and Pemagatshel district and 40 sets of Butter churners and milk cans distributed in Zhemgang.
- ✓ In 2012, 3 360 farmers were practicing stall-feeding while in 2015, 7 582 farmers have adopted improved dairy husbandry practices.
- ✓ Establishment of 160 Bio-gas plants to reduce collection of fire wood and imports of LPG gas for rural households including 57 bio digesters installed in Mongar.
- ✓ Reduced number of unproductive livestock and procurement of 117 jersey cows that were distributed to farmers in Mongar, Pemagatshel and Zhemgang.
- ✓ Initiated improved pasture development in 364 acres of registered and fallow land.
- ✓ Promoted climate resilient native Poultry Farms, 120 native poultry farms established and five native piggery farms at Digalla in Zhemgang district.

3.3.1.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.3.1.5.1. *Implementation*

In Afghanistan, a new programme implemented by the International Trade Centre supported the adaptation of the country's regulatory and institutional framework in line with WTO requirements, after Afghanistan joined the WTO in 2016. A new National Export Strategy and Trade Policy was finalised. This project complements EU policy and advocacy efforts to foster the regional economic integration of Afghanistan with neighbour countries, as a vector for jobs, prosperity and peace.

In Bangladesh, the government adopted important procedures for improving working conditions and respect of labour rights in the ready-made garment industry within the framework of the Bangladesh Sustainability Compact. This Compact was launched by the EU and Bangladesh, together with the US, ILO and Canada, following the Rana Plaza tragedy in 2013 to improve working conditions in one of the country's most important export industries.

In Bhutan, a rural development and climate change response programme worth EUR 21.5 million supported agriculture sector policy, which is the main source of livelihoods and income for two-thirds of the population. Capital investment funds were realised for irrigation, rehabilitation and construction of farm roads and the establishment of farm shops. With the aim of increasing food and nutrition security, the EU has supported the development of a green economy focusing on organic farming and new technologies that intensify off-season vegetable production. Better linkages between producers and consumers were also facilitated.

In Sri Lanka, a timely trade related assistance programme coincided with the country's readmission as a beneficiary of the EU's Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+). This programme aims to increase the trade competitiveness of local SMEs in regional and international markets and provides support to improve the value chains of spices (particularly cinnamon) and food products, as well as IT business process outsourcing.

In Nepal, a trade and private sector development project started with two pilot projects in eight districts to enhance the coffee value chain with a specific focus on women farmers and fair-trade promotion. The EU also developed a EUR 40 million budget support programme to assist Nepal in implementing its agriculture development strategy, which aims to enhance productivity, quality and

competitiveness in a sector that is the mainstay of its economy. Progress was also made on the 220 KV-Chilime-Trisuli transmission system project with preparatory tasks completed such as acquiring the land for substations and launching a call for tenders for their construction.

In South-East Asia, the main EU-ASEAN flagship programme in support of sustainable economic and trade connectivity was launched in 2017 (EUR 40 million), working on areas of trade facilitation, customs and transit, food safety and pharmaceutical standards, intellectual property rights and civil aviation standards. This regional-level intervention will be coupled with tailor-made country level support in individual ASEAN Member States, to respond to their specific needs and challenges.

A new EUR 10 million Trade Support Facility in the framework of the regional ARISE Plus was approved in 2017. It will include a facility to support trade related competencies to implement the EU-Indonesia trade agreement. It could support areas such as non-tariff measures, technical barriers to trade, investment protection, Intellectual property rights, and competition.

Support to EU Business in South East Asia markets – Malaysia component is being implemented with the EU-Malaysia Chamber of Commerce until August 2018 for EUR 2.7 million. The overall objective is to increase and improve export and investment flows between the EU and Malaysia as a gateway to ASEAN. Expected results are better market access for EU SMEs via bilateral advocacy platforms, improved facilitation of EU business support services, and increased horizontal communication channels for better access to market information. Results achieved so far are advocacy and policy work through sectoral working groups by industry sector (transport, food and agribusiness, energy, utilities and environmental services) are well implemented.

3.3.1.5.2. Thematic overview

Supporting effective governance in the agriculture and rural sectors has been a priority for the EU. In Asia, the EU supports farmers' organisations by strengthening their capacities to deliver improved and inclusive services to their members and to engage in effective dialogue with governments. For example, the EU teams up with the International Fund for Agricultural Development (IFAD), the Asian Farmers' Association for Sustainable Rural Development and *La Via Campesina*, to help women farmers increase their vegetable production and tackle crop diseases in Nepal. In Bangladesh, private companies often control the seeds market but thanks to the support of this programme, Bangladesh is regaining control of seeds for its farmers by forming groups of farmers and providing them with training on quality seed production and preservation. In Laos, support is provided to youth groups to sell their vegetables in markets and a 'farmer basket' support mechanism helps youths sell their produce directly to consumers where farmers can earn a profit of USD two from a vegetable box costing USD seven.

Through an USD one million investment in 2017, Electrifi helped to raise an additional USD 1.5 million of investments from two other impact investment funds. The capital increase will enable the construction of approximately 2 500 additional microgrids and install a total of 600 kW solar PV with battery storage systems, supplying access to clean energy to 55 000 additional households and will enable the project to reach financial sustainability. Since the involvement of Electrifi, Mera Gao Power has added 85 microgrids and connected an additional 800 households with seven hours per day of electricity services, in many cases for the first time ever.

In 2017 the Asian Investment Facility of the EU funded two projects in the transport sector, 'Laos Resilient Rural Roads' and a Feasibility Study for the extension of a Ho Chi Minh City Mass Rapid Transit Line in Vietnam. The two projects together received an EU contribution of EUR 11.15 million, leveraging a total amount of EUR 1 406 million from other financiers.

3.3.1.5.3. *Case studies: Prosperity*

Economic empowerment through sustainable cocoa

Context

Declining cocoa production in East Java raises concerns for local farmers, processing companies, traders and exporters. About 90 % of the cocoa growing area is owned by smallholders, but they are lagging in terms of proper access to knowledge and use of modern plantation techniques as well as government support to improve their production capacity. This EU-funded small initiative addresses the gaps in rejuvenating the cocoa sector by implementing sustainable cocoa pilot projects in five districts in East Java.

Objectives

- Empowering small cocoa farmers and their associations to increase local cocoa production in East Java province.
- Strengthening collaboration between local authorities and civil society.

Impact

- ✓ 2 688 farmers, including youth and women, benefitted from training on sustainable cocoa cultivation and became part of the Sustainable cocoa network.
- ✓ Demonstration plantations of 50 hectares were constructed with high quality cocoa seeds in five districts.
- ✓ 1 550 people, including unemployed youth, were involved in the construction of plantations.
- ✓ Cocoa Task Forces involving local authorities and civil society (farmers, youth, women and others) at provincial and district levels were established.

Weaving prosperity in Indonesia and the Philippines

Context

The traditionally diverse hand-woven textile industry in Indonesia and the Philippines is dominated by small local enterprises, which usually employ poor women. Hand-woven textiles account for a minimal share of the overall market for textiles, which is dominated by cheaper and less sustainable mass-produced fabrics. Entrepreneurial groups and cooperatives of artisans have been poorly organised and lack access to green finance, market information, natural dye methods and eco-designs, and have limited bargaining power. Policy frameworks were inadequately developed, with low impact of government efforts to support hand-woven textiles.

Objectives

- Contribute to poverty reduction and economic prosperity by supporting sustainable hand-woven eco-textiles via an enabling policy environment.
- Build the capacity of micro and small hand-woven eco-textile entrepreneurs, predominantly women, in 18 provinces of Indonesia and the Philippines.
- Increase sales and marketing of textiles.

Impact

- ✓ 5 039 micro and small hand-woven eco-textile entrepreneurs, of which 96 % are women, adopted quality assurance standards.
- ✓ Over 50 % increase in quality assured production of hand-woven eco textiles.
- ✓ Over 50 % increase in sales of products.
- ✓ 5 788 hand-woven eco-textile entrepreneurs now have access to natural dyes and/or eco-fibre.
- ✓ 2 172 entrepreneurs have access to finance.
- ✓ An Indonesian national competency standard and an eco-label for naturally dyed hand-woven textiles established.

3.3.1.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.3.1.6.1. Implementation

In the volatile context of Afghanistan, the EU continued its support to stability and peace building by contributing to the operational costs of the civilian police force and strengthening the accountability mechanisms for its expenditure, particularly salary management, through the UN-managed Law and Order Trust Fund (LOTFA). Together with several Member States, the EU supported the Ministry of Interior in developing a four-year strategic plan to guide and prioritise police sector reforms.

In response to the recent Rohingya refugee crisis, in late 2017 the EU pledged an additional EUR 30 million to address the short and medium-term impact in Bangladesh. This pledge came in addition to EU long-term support to the displaced Rohingya in Bangladesh (a total of EUR 19.6 million has been committed for this purpose since 2009). One of the concrete actions in 2017 was the extension of an ongoing UNHCR-implemented project with a top-up of EUR three million. This project provides basic services in education, health, WASH and camp management. Also in Bangladesh, in the area of access to justice, the Activating Village Courts programme mobilised NGOs and raised NGOs and public administrators' awareness on the functioning of village courts, replicated the web-based Village Courts Management Information System (VCMIS) in 100 project unions, and equipped 1 000 Union councils with essential forms and furniture.

In 2017, Nepal successfully held elections at local, provincial and national level, which was a major undertaking and achievement which now paves the way to concentrate on socio-economic development. An Election Support Programme enhanced the capacity of the Election Commission to Nepal (ECN) and other stakeholders primarily in the areas of election planning and operations, electoral training, voter education, promoting peaceful elections, electoral dispute resolution and gender and social inclusion. In 2017, this programme received an additional EUR 1.65 million from the EU for technical support.

In Sri Lanka, two programmes launched in 2017 aim to support the governance of reconciliation processes and the capacity of non-governmental and grassroots organisations to actively engage in these. These programmes will track progress and public opinion towards national reconciliation, facilitate learning and strengthening policy and institutions at national and sub-national levels. They will contribute to dealing with the past through memorialisation, psychosocial care and reduction of language barriers. The role of Provincial Councils in strengthening accountability mechanisms and the implementation of policies on Internally Displaced People will also be addressed.

In Cambodia, the EU's assistance contributes to achieving an accountable and transparent public sector which values participatory decision-making processes and public access to information through PFM reform (EUR 30 million) and decentralisation reform (EUR 40 million) which will improve local level governance, increase development funds to implement local development plans, improve the quality of public service delivery and the use of social accountability mechanisms.

The 'Support for Reform of the Justice Sector in Indonesia' (EUR 10 million) in 2017 helped to improve the transparency, integrity, and accountability of the judiciary as well as the quality of justice services. In Public Finance Management, the 'Multi Donors Trust Fund II' (EU contribution EUR 9.5 million) supported the quality of spending, revenue collection capacity, and the effectiveness of sub-national service delivery and the transparency of the budget through a people's guide to the budget.

3.3.1.6.2. Crisis response and preparedness

From a crisis response, security and conflict prevention/peacebuilding perspective, the trend in Asia is very much characterised by a combination of transitions towards stability, on the one hand, and drifts towards authoritarianism and hot spots, on the other.

The Instrument contributing to Stability and Peace (IcSP) portfolio in Asia (including Afghanistan and Pakistan) reflects this trend with a balanced ratio of 18 short-term crisis response actions and 11 medium/longer-term conflict prevention programmes.

The short-term actions (maximum duration 18 months) made operational under the IcSP crisis response portfolio in Asia during 2017 include a comprehensive support to the reconciliation process in Sri Lanka, addressing issues like transitional justice, resettlement of internally displaced persons (IDPs) and a wide array of other reconciliation actions.

A follow-up support to address the long-standing situation in Southern Thailand was mobilised to reduce the violence through supporting the establishment of a credible peace architecture and the Malay-Muslim community in their efforts to build a consensus on key concerns.

Also, four actions were initiated in support of the peace-process in Mindanao, Philippines. Over the last six years the EU has become a key actor in support of the peace process here with an evolving support, from the initial support to the peace talks to currently providing support to the monitoring structures related to established agreements, as well as supporting the transition of the fighting factions into political entities.

In reaction to the Rohingya crisis in Myanmar/Bangladesh, an IcSP action was designed to address the registration of the Rohingya refugees in Bangladesh, enabling a response catering for their

immediate needs as well as contributing preparations for a voluntary and dignified return of the Rohingya to Myanmar when conditions are right.

There was one crisis preparedness/conflict prevention action mobilised during 2017 in the region, promoting confidence building in the Chittagong Hill Tracts (CHT) in Bangladesh through empowering communities and institutions. This was added to a portfolio of medium-term programmes (usually three years duration) in several countries. These medium-term programmes include four projects in Afghanistan, all focussing on women's role in the peace process, as well as two projects in India (ended in March-April of 2017) both strengthening civil society organisations in order to address conflict affected children in Kashmir and the natural resources-based conflicts in North East India. There are also three projects in Pakistan addressing countering violent extremism and confidence-building, mediation and dialogue.

The above actions were added to a portfolio of ongoing crisis response projects in the region, for example in Myanmar supporting the Kofi Annan Commission on Rakhine that came up with a set of recommendations in August 2017 to the Government of Myanmar addressing the most pressing challenges in Rakhine State, and two larger projects in Pakistan, one providing support to returnees and their communities in the Federally Administered Tribal Areas (FATA) and the second focusing on strengthening the capacities of the established federal, and Khyber Pakhtunkhwa provincial, counter-terrorism and criminal justice institutions.

In Afghanistan, two actions were initiated, the 'Clean and Green cities' programme aims to counter violent extremism through improving state society relations, urban stabilisation and job creation in three key cities in Afghanistan. The second initiative is 'the Afghanistan Peace Support Initiative' that gives new impulse to the inclusive Afghan-led and Afghan-owned peace process between the Government and the armed group Hezb-I Islami (HIA) supporting the implementation of the Government-HIA agreement, and enabling this agreement to serve as a model to reach out to other armed groups.

3.3.1.6.3. Thematic overview

EIDHR support

The human rights situation in Asia in 2017 remained a challenge. The majority of countries were considered 'not free' (Freedom House), or with civil society space obstructed, repressed or even closed (CIVICUS). 2017 also saw an increase in repression and detention of human rights defenders (HRDs). Some Asian governments adopted more authoritarian approaches to curb civic and democratic activity, such as through restrictive legislation relating to freedom of assembly (Malaysia, Maldives, Myanmar), and internet use (Bangladesh, Malaysia, Pakistan, Thailand). Worrying developments resulting in human rights violations occurred in the Philippines with President Rodrigo Duterte's 'war on drugs', with killings of HRDs reported in Bangladesh, India, the Maldives, Myanmar, Pakistan and Thailand, enforced disappearances in Pakistan and China, and detention of HRDs in Cambodia, China, Pakistan, the Philippines, Sri Lanka and Vietnam. In addition, independent civil society had to face more sophisticated tactics by Government Organised NGOs (GONGOs) in countries like Kazakhstan, Kyrgyzstan and Uzbekistan. On a more positive note, 15 National Human Rights Institutions (NHRIs) were compliant with the UN Paris principles: a status, considered

independent. In 2017, the NHRIs of India, Indonesia and the Philippines were re-accredited with an A status.

EIDHR covered human rights and democracy action in Asia primarily through civil society projects selected under global and local calls for proposals. In the period 2014-17, EIDHR-funded actions targeting Asia amounted for more than EUR 64.5 million. In 2017 alone, the allocated EIDHR country envelopes, the Country Based Support Schemes (CBSS), in the Asia region amounted to EUR 17.3 million, representing more than a fifth of the overall CBSS allocations. EIDHR addressed various themes: support to HRDs, the promotion of women's and children's rights, economic social and cultural rights, freedom of expression and freedom of religion or belief, transitional justice, democratic development and participatory citizenship, and the fight against torture, the death penalty and discrimination on various grounds. Main beneficiaries included civil society actors and HRDs, with ad hoc support for NHRIs at country level.

As Asia is the only region which lacks a fully-fledged, pan-Asian regional human rights mechanism, it is planned that EIDHR will support the regional network of Asian and Pacific NHRIs (the Asia-Pacific Forum of NHRIs-APF) in the next programming cycle 2018-20 with an amount of EUR 750.000. Asia will also remain eligible under various EIDHR modalities (calls for proposals, EIDHR human rights crises facility, and support to HRDs).

Peace & Resilience

A number of conflict analyses were organised in 2017 notably concerning Yemen, Sri Lanka and the Philippines. Situation analysis has been carried notably in the framework of the EU Early Warning System.

The effective launch of a pilot process to test the broader nexus of humanitarian, development and the related diplomatic and security aspects in six pilot countries including Myanmar and Iraq.

3.3.1.6.4. Case studies: Peace

Fuelling Entrepreneurial Success in Cambodia

Context

In 2002, Mrs. Keo Mom and her husband started their business with very little capital and one imported rice cracker processing machine, working out of their home. The couple produced rice crackers in small quantities to sell at markets in and around Phnom Penh. Mrs. Keo Mom participated in a workshop where she learned about intellectual property rights and decided to register her company as a trademark. After consultations with government authorities, Keo Mom decided to register her business as a handicraft manufacturing outlet and decided on the name Ly Food Industry, Co. Ltd. (Ly Food). Her rice crackers then became the first locally-made rice crackers widely sold in Cambodia.

Mrs. Keo Mom also protected her company name and packaging designs as trademarks. The company now owns Ly trademarks. Furthermore, she invested considerable resources to continuously improve her packaging. This has been an important factor in developing the brand name as well as promoting the company's image in the country.

Objectives

- Workshops to help entrepreneurs in Cambodia reach their full potential. Many small entrepreneurs with SMEs in areas such as food products, pepper farming and rice farming are participating in the Export and SMEs Training and Coaching Project funded by the EU, to support the Ministry of Commerce.
- The EU fosters sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments.

Impact

- ✓ Mrs. Keo Mom's company started with one machine and a flavoured rice cracker product: now she is producing rice crackers in more than 20 flavours. From its humble beginnings in her home, the company now has over 250 employees, creating employment opportunities in rural areas of Cambodia.
- ✓ Mrs. Keo Mom has also established a principle that her company's products must be of good quality, healthy, safe and attractively designed and packaged for consumers. In an effort to contribute to the improvement of maternal and child nutrition in Cambodia, her company also created a range of vitamin-enriched products.

3.3.1.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.3.1.7.1. *Implementation*

The EU progressed towards enhanced policy dialogues with South Asian governments on a variety of sectors. For example, in Bangladesh, the EU was in regular direct contact with government institutions in sectors such as migration, nutrition, and education. Notably, Bangladesh and the EU co-signed bilateral programmes on facilitating the integrated return of Bangladeshi migrants from the EU and on national nutrition policies and action plans. Also in Bangladesh, the EU worked closely with Member State agencies on programmes such as the Bangladesh Resilient Livelihoods Programme, which addresses internal and cross border migration and economic opportunities for EU returnees, addressing specific needs of returnees from EU in terms of skills, jobs and value chains development, linking with formal and informal SMEs and promoting access to social services in urban contexts.

The EU is a longstanding supporter of Nepal's education sector, which has achieved considerable progress in term of access and inclusiveness. The EU currently provides EUR 61.4 million in financial and technical support to assist the Government in implementing its school sector plan for the period 2016-2023. The EU is among the plan's 'Joint Financing Partners', which also include the Asian Development Bank, Finland, Norway, Australia, Japan, UNICEF, the World Bank and the Global Partnership for Education. This partnership includes joint sector reviews based on a performance assessment framework agreed with the Ministry of Education.

In South-East Asia, the first High Level ASEAN-EU Dialogue on Sustainable Development was held in November 2017, co-chaired by the EU Commissioner for International Cooperation and Development and the Thai Minister of Foreign Affairs. It was the first time the EU and ASEAN have held a discussion at such a high level on joint engagement on the implementation of the 2030 Agenda and the SDGs.

The Dialogue focused on the areas of gender equality, green growth and climate change and will be followed up with an indicative roadmap outlining possible concrete activities and initiatives for joint EU-ASEAN partnership on the implementation of SDGs and the Paris Agreement on Climate Change.

The new EU-ASEAN dialogue instrument (E-READI) was launched at the end of 2017 with an envelope of EUR 20 million, which will be able to support existing and new EU-ASEAN policy dialogues across all sectoral policy areas where the EU and ASEAN have interests in strengthening cooperation and sharing experience, in view of promoting sustainable development cooperation and regional integration.

3.3.1.7.2. Thematic Overview

In 2017, seven Asian countries benefited from Civil Society Organisations (CSO) country allocation for a total of EUR 20.05 million and six benefitted from Local Authorities country allocations of EUR 9.75 million.

These allocations are managed by the EU Delegation in each country through local calls for proposals.

3.3.1.7.3. Case studies: Partnerships

<p>ASEAN-EU Dialogue on Sustainable Development</p> <p>Context</p> <p>Commissioner Mimica launched the first ASEAN-EU Dialogue on Sustainable Development on 17 November in Bangkok. The initiative stems from the Bangkok Declaration of the ASEAN-EU Ministerial Meeting in October 2016 which foresaw the establishment of "a dialogue between ASEAN and EU officials in 2017 in Thailand on sustainable development as a platform to promote cooperation on the effective implementation of the 2030 Agenda for Sustainable Development and the 2015 Paris Agreement on Climate Change". The event took place in the context of the ASEAN-EU 40th anniversary year .</p> <p>Objective</p> <ul style="list-style-type: none">• The overall objective was to provide political momentum for a more strategic EU-ASEAN engagement on the implementation of the 2030 Agenda and visibility to the EU-ASEAN development cooperation• During the dialogue, the Commissioner launched three new EU programmes for a total of EUR 85 million (ARISE Plus, E-READI and the first Spotlight Initiative programme in Asia addressing women migrant workers in ASEAN).• A gender side event was organised with ILO and UN WOMEN, to provide further visibility for the Spotlight Initiative. <p>Impact</p> <ul style="list-style-type: none">✓ The Dialogue was a successful start of closer and higher-level engagement with ASEAN on the Agenda 2030 and SDGs and highlighted the EU's unique position to act as a key partner to the ASEAN region.
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- ✓ It provided a high degree of visibility for our newly launched activities with ASEAN, including the Spotlight Initiative and its first programme in South East Asia focussing on the rights of women migrant workers.
- ✓ The discussions presented a series of possible entry points and follow-ups both on the side of the ASEAN Member States and EU MS, which can be addressed among other through the newly launched policy dialogue facility E-READI and other instruments.
- ✓ Thailand is also the ASEAN Coordinator for Sustainable Development Cooperation and is genuinely engaged in raising the political momentum in the region on furthering the sustainable development agenda.
- ✓ A joint EU-ASEAN roadmap is being drawn up to jointly work on SDG implementation in three identified priority areas.

3.3.2. Central Asia

3.3.2.1 Introduction (Policy Developments)

Three major factors influenced developments in Central Asia in 2017: the economic, environmental and governance challenges in all Central Asia countries; a tense security situation linked to instability in the border regions of Afghanistan and the rise of violent extremism; and the transition of power in Uzbekistan and Kyrgyzstan.

The EU has played an important role in Central Asia as the biggest donor in supporting sustainable development in the region, encouraging the processes of transformation and modernisation. EU activities in the region were focused on promoting EU interests and cooperation with the five Central Asian countries in line with the 2007 EU- Central Asia Strategy and in line with our joint commitment to the SDGs.

The review of the EU Strategy for Central Asia (the Council conclusions adopted in June) reconfirmed EU engagement as well as the principle of differentiation, responding to the different ambitions of Central Asian partners to take forward their relationship with Europe. The EU and its Member States have engaged in active cooperation at the political and technical level considering the lessons learnt and the socio-economic changes in the region as well as the changing geopolitical situation.

The outstanding development and security challenges were addressed at various levels including the Foreign Affairs ministerial (November) in Samarkand, Education Ministerial (June) in Astana, Rule of Law Ministerial (December) in Brussels and regional technical groups, through the strengthening of bilateral and regional dialogues on the key regional initiative areas of education, rule of law and environment and water, as well as on human rights promotion and the action plans on drugs and border management.

The EU-Central Asia High Level Political and Security Dialogue, which aims to jointly identify new areas of common concern and new ways for regional cooperation on security issues, notably in relation with Afghanistan, was continued in Bishkek in June.

3.3.2.2 Working Better Together, Development effectiveness, and donor coordination

In Central Asia, the number of donors is limited, and the EU supports donor coordination, mainly through country-level efforts. The EU aims at increasing the use of country systems through budget support and its cooperation with international financing institutions enhancing overall coordination and enabling a sharper focus on priority areas to improve the impact of assistance.

In Kazakhstan President Nazarbayev introduced in the beginning of 2017 the 'Third Modernisation of Kazakhstan: Global Competitiveness', a strategic document outlining the country's development priorities. The strategy is designed to ensure economic growth and sustainable development to help Kazakhstan join the top 30 most developed countries by 2050. The strategy covers to a large extent the SDG targets. With regards to donor coordination, the government holds regular high-level meetings in the form of investment councils, to which all major development partners are invited. The EU Delegation has been focusing on coordinating with the more than 20 EU Member States with embassies in Astana, for example through EU Development Counsellors meetings. Coordination with the IFIs, including EIB and EBRD, was partly ensured through the government's Investment Council in addition to numerous bilateral meetings and regional programmes such as the Water and Environment Cooperation (WECOOP) project. Coordination with other major development partners mainly took place at sector level, for example related to the Rule of Law and the transition to Green Economy.

Kyrgyzstan is committed to the Agenda 2030 on Sustainable Development and its SDGs. The Government has in 2017 adopted a new strategy Forty Steps to a new Era 2018-2023. Further to the adoption of the Forty Steps, the Prime Minister called a meeting of the Development Partner's Coordination Council (DPCC) asking them to align to the new Strategy. The DPCC has restructured its 14 sector working groups to respond to the needs expressed and ensure increased donor coordination. The Government has also called for more development effectiveness and has issued an internal Government regulation to ensure increased ownership and decreased overlap of any technical assistance, which will now have to be registered and approved by the Ministry of Economy. The DPCC is continuing to push for the full implementation of the Aid management Platform, which would allow for better monitoring and transparency on all donor activities in the country, for the authorities as well as for the development partners. The EU Delegation is co-chair of the DPCC.

In Tajikistan, the EU is adapting its programming to the new National Development Strategy for 2016-2030, which is based on Agenda 2030 and the SDGs. Tajikistan has a very well-functioning Development Coordination Council (DCC), with six clusters and 12 working and thematic groups. The EU is represented as Deputy Chair of the DCC, chair of the important Human Development Cluster, and chair or deputy chair of four other working groups: health, education, social protection and water. The DCC has reached a good level of information exchange and cooperation in design stage of new projects to insure sustainability of the interventions, although it has not yet reached the stage of full donor harmonisation. The EU has also initiated steps towards introduction of Joint Programming and is planning a Joint Analysis of EU and Member State development policies to be conducted in 2018. The use of country systems remains limited to Budget Support only.

Uzbekistan's new leadership introduced ambitious reforms over 2017, including the adoption of a National Development Strategy 2017-2021 and initial steps towards engagement with the international donor community to discuss a future donor coordination mechanism and aid

effectiveness. This could be built on the on-going SDGs localisation process lead by the UN family but also on existing sector working groups like that on Water, co-chaired by EU since 2017 and the one on agriculture. Following recently initiated reforms affecting public finance management, transparency and work towards developing sector strategies, a few multilateral organisations and the EU have initiated discussions aimed at possible use of country systems.

Turkmenistan is not a signatory of the Paris Declaration and very few donors are present in the country. In the absence of a Delegation, the EU has pushed for more coordination with the other donors present, mainly the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) and the European Bank for Reconstruction and Development (EBRD) through its Liaison Office. The local UNDP office is in charge of donor coordination, in which the EU Liaison Office actively participates.

3.3.2.3 PEOPLE – Human Development and dignity

3.3.2.3.1. *Implementation*

In Kazakhstan, EU and Central Asia ministers of education met in June within the context of the Central Asia Education Platform (CAEP) where the Astana Declaration on Enhanced Cooperation was signed. In October, the European Training Foundation (ETF) hosted a workshop in Astana on effective financing mechanisms for skills development (dual system), including incentives for companies to engage stakeholders and good practice examples from France and the United Kingdom. A new round of the ERASMUS+ higher education exchange programme was launched in Almaty in early November at an event attended by more than 140 participants representing universities and research institutes.

In Kyrgyzstan, while significant progress has been made in terms of educational access, challenges persist in the areas of learning outcomes. Despite being in school, more than 50 % of learners are functionally illiterate and come out of school unprepared to integrate with the world of work. The EU has responded to these needs applying a strategic and sector-wide approach through a EUR 36 million budget support to the Government in its efforts to reverse the trend of high spending, low impact and poor results. The Government has prompted to consolidate, extend and improve effectiveness of the reforms in the Education Sector from early childhood to higher education, including technical and vocational training, shifting the main focus from access to achievement, which is articulated in the Education Sector Strategy 2020 and its Action Plans.

In Tajikistan, one of the key elements of the EU funded Human Development Support Programme II is development of a comprehensive social service delivery system operational nationwide with the Government, NGOs, and private sector providers as main actors, and appropriate public support infrastructure in place. In 2017, the EU had three ongoing grant projects contributing to this priority, with a total budget of EUR three million. In addition, EU Budget Support to Tajikistan in the period 2015-2017 has included conditionality in the sphere of social protection, with the aim to stimulate the Government's outsourcing of social services for persons with disabilities to NGOs through transparent and fair public procurement.

The EU Project 'Support to third party-monitoring of the cotton harvest regarding child and forced labour' in Uzbekistan implemented by the International Labour Organisation (ILO) to support Uzbek Government efforts to tackle the long-standing issue of child and forced labour and ensure that

cotton harvests in Uzbekistan are carried out in compliance with ILO conventions. The cotton harvest provides many rural women with a unique opportunity to earn extra income which they control and can use to improve the situation of their families. Besides work on reforming recruitment practices and targeting unemployed people, the Government also increased wages and applied a differentiated approach, which had a positive impact on the recruitment of voluntary cotton pickers.

In Turkmenistan, the most recent monitoring mission revealed that while the project team for the education reform project is on the ground, a number of challenges still have to be overcome, including with obtaining various additional permissions from the authorities.

3.3.2.3.2. Thematic overview

In the migration sector, in response to changing migration patterns and new challenges related to migration and mobility in Central Asia, the EU has scaled up its support in migration and mobility through a number of actions. The project 'Improving Migration Management in the Silk Routes Countries' expanded its scope to five Central Asia countries so they can benefit from increased capacities to manage migration and strengthened regional dialogue under the Budapest Process. In addition, Central Asia countries will benefit from a new EU action focusing on protection of children affected by migration.

In education, in addition to bilateral support in 15 countries in Asia/Central Asia/Middle East, the EU continued promoting education in the region through global programmes. In 2017 alone, the Erasmus+ programme supported 1 422 short-term student and staff exchanges, from the region to Europe (969) and from Europe to the region (453); and 22 Master degree scholarships were also awarded in the region. In addition, the programme financed 14 capacity-building projects for higher education institutions in the region with 17 instances of participation mainly from Kazakhstan and Uzbekistan.

3.3.2.3.3. Case studies: People

<p>Community Based Rehabilitation for the Disabled in Tajikistan</p> <p><u>Context</u></p> <p>Shahrtuz district is located in the south of Tajikistan, bordering to Afghanistan and Uzbekistan. Most families had no understanding of child development, disability and rehabilitation. Health and social services offered limited and outdated disability services. The education sector was not adapted to provide learning support to children with disability and segregated them in home-based classes. Communities only offered charity and passive roles to people with disability (PWD) which prevented inclusion. Extreme poverty (78 % according to UNDP) meant that families could not afford assistive devices, consultations and medical care.</p> <p>Objectives</p> <ul style="list-style-type: none">• To establish a local sustainable system of social services in Shahrtuz district of Tajikistan based on the best practices and experience of the Community Based Rehabilitation (CBR) programme.
--

- Ensure access to rehabilitation services for 900 people with disabilities, including 300 small children at high social risk.

Impact

- ✓ The project has provided community-based rehabilitation services to the 281 people with disabilities (PWD) and 451 families of PWD received other CBR services such as consultation with trained specialists, membership of self-help groups, parent psychological support, early intervention, referral to other services in the district and certified vocational training.
- ✓ 180 Primary Health Care staff throughout Shahrtuz district (nurses, family doctors and paediatricians) are trained in tools and standards of an Early Identification Service on the use of child development observation, screening assessment and detailed disability assessment tools.
- ✓ 12 Parent Groups consisting of 127 participants are functioning in the rural areas. Biweekly meetings are being held to provide psychological support to parents, supply them with information on CBR activities, large-scale transfer of knowledge about disability and skills in rehabilitation and activate them to take over responsibility and improve the life of their children.
- ✓ Four specialised inclusive events for people with disabilities were conducted, including a summer camp, a theatre play, a celebration of International Children’s Day and International Day of People with Disability with participation of more than 1 200 people.

“Thanks to the CBR trainings, I was able to better understand what my children need. Previously, I thought that nothing could improve their condition, but given the experience I gained during the classes, I began working with daughters. They were able to surprise me with their abilities, became more active and cheerful. Support of such projects is so important for the society and enables to support specifically parents of children with disabilities,” says Zulhumor Kholmatova, the Parent Group Leader, mother of two children with mental disabilities.

Testimony: Basket weaving in Tajikistan



Abramatova Safargul is 32 years old, she was diagnosed with speaking impairment (muteness) from birth. She lives in the Jamoat Kholmatov region of Tajikistan in a family of 14 people.

She was engaged in needlework and embroidery which she learned from her mother. After visiting a five-day master class on the techniques of basket weaving in October 2017, she learned how to make

baskets without any financial costs at home using tree rods. Thanks to the master class, within a short period of time she was able to learn how to weave not only baskets, but also other household items such as buckets, vases, plates of different sizes. In addition, this craft became interesting for other members of her family, so she taught them the technique and now the whole Abramатов family is engaged in weaving.

She gathers the wooden rods for her products on the street and sometimes she cuts them off the trees with the permission of the Jamoat leader. To do this, she only needs one working tool, some special scissors, which she received during the master class. Safargul can produce at least four products per day. Her products are already in demand in local markets, especially in the largest market of the Shahrtuz district, where she sends her products for sale. In addition, often her hand made baskets can be seen at exhibitions of handicrafts throughout the region. And she receives orders for weaving products from the local administration.

Despite the fact that this craft does not bring a big income to the family, the self-employment of the daughter makes the parents happy, especially since the Safargul is ready to share her experience and skills with anyone who wishes.

3.3.2.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.3.2.4.1. *Implementation*

In Kazakhstan, the EU continued to monitor and supervise the ambitious EUR seven million Transition to Green Economy project implemented by UNDP and ensured the procurement and delivery of environment friendly equipment. The EU also continued its support to the EU-Central Asia Working Group on Environment and Climate Change (WGECC) and organised a workshop in Almaty in late November through the Water and Environment Cooperation (WECOOP) project to help improve Central Asian countries' access to international finance for green projects. This followed the 6th meeting of the WGECC in connection with the 2017 Expo. The EU also took part in the closing conference for the regional CAWECOOP project for enhanced regional cooperation on water issues. In addition, EU representatives spoke at the water seminar organised by the International Science and Technology Centre (ISTC) in Almaty in early November.

In Kyrgyzstan, the EU continued to support climate change adaptation by addressing critical investment needs in municipal infrastructure. Kyrgyzstan has received the largest share of the Investment Facility for Central Asia (IFCA) to date, with 11 projects worth over EUR 88 million in grants that have leveraged nearly three times the amount in loans from international financial institutions for municipal water and solid waste infrastructure and energy efficiency. The objective is to build resilient and efficient systems and to ensure that clean and safe water reaches more people throughout the country. These projects support policy reform, notably through the promotion of EU standards and best practices in climate change mitigation, and capacity building of national authorities to implement new legislation. Through local financial institutions, the EU also provides direct support to households and companies to invest in energy efficient technologies, allowing for a more effective and efficient use of natural resources.

The EU continued to support Tajikistan in its efforts to limit threats to environment and population resulting from its Soviet-era uranium mining legacy. The selection of sites for intervention in Tajikistan was done in close cooperation with the Government and the Academy of Sciences as well as international actors such as the International Atomic Energy Agency in Vienna. A Strategic Master Plan was near completion at the end of 2017. Moreover, the EU initiated a Trust Fund, the Environmental Remediation Account for Central Asia (the ERA fund), managed by the EBRD. This fund is based on the successful experience of the Chernobyl Fund and will finance the actual remediation works. The EU provided a contribution of EUR 16.5 million.

Uzbekistan is one of the most water-dependent countries in the world, with over 80 % of the country's renewable water resources originating in neighbouring countries. In response to these challenges, the Government of Uzbekistan is implementing several reforms that are aimed at improving the sector's sustainability and financial viability. The EU, through its EUR 20 million programme 'Sustainable management of water resources in rural areas in Uzbekistan' is supporting the water sector and all measures that are taken towards the implementation of an Integrated Water Resources Management. In 2017, work continued on up-dating the water governance legislative framework, supporting the working group developing the structure for the water cadastres and prototype databases, and purchasing necessary hardware. Close cooperation between the programme, Ministry, water and basin administrations and local governments continued in 2017, including on how to integrate a Strategic Environmental Assessment into the river basin management process for strengthening the decision-making base. A needs assessment of water and energy saving technologies for the selected demonstration sites in the six pilot regions was also carried out resulting in recommendations for introducing water and energy saving technologies that could become best practice for Uzbekistan's farmers.

3.3.2.4.2. Thematic overview

In this region, the EU supports increased cooperation between Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Tajikistan by fostering dialogue on the water, energy and food security nexus and supporting sustainable and climate-resilient investments in these sectors.

In Afghanistan a major intervention addressing the watershed management in the Panj-Amu river basin, one of the major contributor to the Aral Sea, has been started leveraging significant Asian Development Bank resources.

3.3.2.4.3. Case studies: Planet

Saving natural resources, promoting energy efficiency in Kyrgyzstan

Context

The energy and carbon intensity of the Kyrgyz economy is ten times higher than the average OECD countries in absolute terms. Kyrgyzstan suffers from a high rate of energy losses, obsolete energy infrastructure, out-dated and inefficient equipment at end-user level and a lack of monitoring and control devices. Improving energy efficiency is important from an energy security point of view as Kyrgyzstan still imports 67 % of its primary energy supply. Kyrgyzstan is one of the first countries in

the post-Soviet area to have developed a legislative and regulatory framework that transposes key provisions of European Building Directives, but further work is needed to enhance the capacity of national authorities to implement the new legislation and to demonstrate the advantages of the new EU-inspired legislation in practice. This is where the EU-funded KyrSEFF and KyrSEFF+ projects come in.

Objectives

- To reduce energy and water consumption in households and businesses.
- Targets for 2020: to save 90 000 MWh/year in energy consumption and 20 000 tons CO₂/year in emissions.
- To build the capacity of local engineers, suppliers, Energy Service Companies and Housing Associations regarding implementation of solutions for sustainable energy and resource saving solutions.
- To raise awareness of sustainable energy.

Impact

- ✓ By the end of 2017 the energy saving target was reached with 116 212 MWh/year saved.
- ✓ Carbon savings have reached 6 241 tons CO₂ by the end of 2017 and water savings reached 19 259 m³/year.
- ✓ Implemented projects included solutions in greenhouses, reducing the need to import vegetables in the winter as well as waste water treatment, which contribute to cleaner water resources.
- ✓ Out of 523 of loans disbursed for projects by the end of 2017, 206 went to women.

Testimony: Preserving natural beauty in Ak-Tilek



The Ak-Tilek resort is located in the picturesque Belogorka gorge on the shores of the Shabai River in the Sokuluk district. It is a popular destination not only among those admiring the beauty of nature, but those interested in improving their health by drinking kumyz (fermented horse milk, a traditional refreshing drink of Kyrgyz). Clean air and mountains are also perfect conditions for sportsmen to practice.

Dozens of villages are located downriver from the resort. Their citizens use the river water for daily routines. Therefore the installation of a treatment facility was not only an issue of environmental protection, but also one of safeguarding people's access to clean drinking water.

At the end of 2017, a modern wastewater treatment facility was installed at the resort, as well as some energy efficiency measures, with a combined project value of USD 19 000 funded through the KyrSEFF programme. The system capacity is based on 75 people and provides sewage treatment meeting the established sanitary norms and regulations, which allow the water to be disposed of into local terrain or used for irrigation. The installation only took one month.

The KyrSEFF experts calculated that the project implemented by the Ak-Tilek resort will result in water savings of 5 832 m³, energy savings of 29.4 MWh, and CO₂ emissions reductions equal to 1.3 tons per year.

"I love my country and cherish its beauty. Three years ago, when we started our business on this territory, we considered the installation of a modern wastewater treatment facility. Indeed, polluting the river whose crystal-clear water is used both by us and people living downriver is not only irresponsible but can also be considered as an environmental sin," says Omor Dzhumanazarov, Owner of the Ak-Tilek eco-resort. "I feel lucky that I learned about KyrSEFF and its technical and incentive components in one of the local banks. I used the loan funds not only to install the wastewater facility but also for energy efficient lighting in the building."

3.3.2.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.3.2.5.1. *Implementation*

In Kazakhstan, the implementation of regional programmes providing both financial support for investments, grants for CSOs, and policy advice for businesses and government continued. Financial support was provided through the Investment Facility for Central Asia (IFCA) for Technical Assistance, including regional Business Advisory Services for beneficiaries of EBRD operations and a new EUR two million commitment for technical assistance was made in support of a EUR 200 million EIB loan for green loans for SMEs. The SME sector was also supported through Central Asia Invest, another regional programme, which included a networking meeting for grant beneficiaries of the programme in November.

In Kyrgyzstan, the EU is committed to support income generating activities and job creation for the rural population through various instruments and projects. For example, in 2017, the ACTED project on poverty reduction in Jalal-Abad Region stimulated community-based socio-economic development and inclusive growth. This was done through the enhancement of value chains, especially within the plum and apple system, rehabilitation of irrigation canals, drinking water systems and electricity lines, and through empowering social workers to conduct community-owned support through introduction of case management systems. In the Alu-Buka district, farmers' productivity increased through new agricultural knowledge. 803 community members actively participated in eight public budget hearings and achieved municipality budgeting transparency within the action. With the establishment of Local Development Platforms, local inhabitants are now included into the five-year District Sustainable Development Programme.

In Tajikistan, the Enhanced Competitiveness of Tajik Agribusiness Programme (ECTAP) was designed by the EU to contribute to poverty reduction and economic growth through the enhancement of Tajik agro-food value-chains, agro-food enterprises and the quality and marketing of Tajik agricultural

products. The EU provided EUR 20 million for the project, with a leverage of more than double this through EBRD loans to farmers and agribusinesses. Potential clients of ECTAP received assistance to develop their businesses in terms of technical support, business management training and access to finance.

In Uzbekistan, an EU management training programme addressed the constraints posed to SMEs in local areas due to lack of managerial skills and access to global markets, which hinders enterprises from operating more efficiently. The project builds capacity of business intermediary organisations connecting Uzbek SMEs with European ones and providing internship opportunities for young SME managers in similar companies in the EU.

In Turkmenistan, the implementation of the third phase of the Sustainable Agriculture and Rural Development (SARD) project progressed as scheduled, while a new blending project with EBRD, the Enterprise Growth Programme (EGP) and Business Advisory Service (BAS), started.

3.3.2.5.3. Case studies: Prosperity

Standards key to enabling business in Turkmenistan



Context

Recently Turkmenistan has started an economic diversification process, to move away from its overdependence on the energy/hydrocarbon sector. The Government of Turkmenistan is fully aware of the challenges to be met and has adopted a proactive strategy to diversify both the country's production and export bases, as well as promoting private sector development by increasing the private sector share of GDP from 40 % to 70 % as stated in the National Programme 2020.

The project 'Standard and certification development' was implemented in 2008-2009 and it was dedicated to the State Committee on Standardisation "Turkmenstandartlary". The project's overall objective was to support the development of a 'business enabling' environment by updating the approach to standards and technical regulations, as well as the quality infrastructure, thus improving compatibility between Turkmen standards and technical regulations and best international practices.

Such measures will increase market access opportunities for economic operators and the prospect of further alignment of local technical regulations to WTO standards.

Objectives

- To define an overall strategy for the alignment of standards, technical regulations and quality infrastructure, aligned to international best practices and related action plans necessary for implementation of the strategy.
- Institutional building support to improve the knowledge of Turkmenistan's economic operators and government stakeholders on the role and significance of the EU and international trade policies, international commercial practices and concerned technical regulations, standards conformity assessment, markings and documentation.
- Setting up of a new institutional and management model in the areas of standardisation, conformity assessment, accreditation and metrology in line with and promoting and implementing the use of International and European standards.

Impact

- ✓ In the field of standardisation improved methods and procedures for the development of Turkmenistan's state standards through the development and adoption of relevant regulatory documents have been implemented, eight national Technical Committees (TCs) for standardisation have been established and cooperation between them and the Technical Committees of the leading international and regional standardisation organisations has been supported.
- ✓ Modern information technologies to support the development, acceptance, storage and dissemination of state standards and other standardisation documents have been introduced.
- ✓ In the field of conformity assessment Quality Manuals and a set of related documents for have been developed and implemented for the certification body (in accordance with ISO / IEC 17065), the certification body for management systems (in accordance with ISO / IEC 17021), and the testing laboratory (in accordance with ISO / IEC 17025).
- ✓ Full training on the above standards for a wide range of representatives of Turkmenistan's testing laboratories and certification bodies, as well as representatives of other interested organisations and institutions has been organised.
- ✓ In the field of accreditation organisational documents for the creation of a single national accreditation body within the framework of the Turkmenstandarlary structure have been developed along with management system documentation.
- ✓ In the field of metrology the international standard ISO 17025 on the requirements for testing laboratories has been implemented with the development of an appropriate quality system and subsequent training of laboratory personnel, and proficiency testing of the results of calibration of measuring tools has been organised.

Boosting small business capacity in Uzbekistan



Context

Encouraging the development of small business and private entrepreneurship and creating a favourable business environment for the development of small business and private entrepreneurship constitutes one of the major activities of the Uzbekistan's Development strategy for 2017-2021. However, SMEs, particularly those located in the rural areas, face capacity constraints caused by the lack of managerial skills and access to global markets, which hinders enterprises from operating more efficiently. The MTP project addresses these constraints by enabling SME managers to undergo internships in similar companies in the EU.

Objectives

- To contribute to the improvement of the performance of the SMEs sector in the Republic of Uzbekistan, in terms of contribution to GDP and job creation.
- To increase the base of qualified and competent entrepreneurs and managers (human capital) able to effectively start up and manage local SMEs and ensure their sustainable development in a long-term perspective.

Impact

- ✓ 66% of companies involved in the project increased their annual turnover because of their employees' internships in the EU.

- ✓ 140 managers of small businesses and experts from business support organisations (17 of whom are women) successfully completed their internships in the EU countries.
- ✓ Five training centres under Chamber of Commerce and Industry of Uzbekistan were registered in five regions of Uzbekistan, four of which have already received a license to conduct training.
- ✓ 15 certified business consultants (13 of whom are women) were trained.
- ✓ 69 trainings were organised with 28 % of participants being female entrepreneurs.
- ✓ 12 manuals for small business have been developed and translated into Uzbek.

“Our business faced difficulties with quality control and expansion of production. Thanks to a MTP business internship I improved my planning and organisational skills, obtained useful management techniques and learnt the right approaches to supervision. Our company found trade partners in Europe and increased quality and the amount of produced tableware,” Iroda Turakhanova, Manager of Turon Porcelain in Tashkent, Uzbekistan.

3.3.2.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.3.2.6.1. *Implementation*

In Kazakhstan, the implementation of the EUR five million flagship programme on Criminal Justice continued according to plan with strong ownership on the Government's side with the General Prosecutor's Office in the lead. The EU also continued to supervise and monitor the implementation of several projects by Civil Society Organisations (CSO), including on the promotion of human rights, access to justice for vulnerable groups and building of the capacity of local authorities. The EU funded a regional gender study which is close to completion and is expected to put gender equality in Central Asia high on the political agenda. Representatives of the EU Delegation met frequently with CSOs in the course of the year and took part in the high-level Rule of Law and Human Rights dialogues with the Government in Astana in late November.

In Kyrgyzstan, the EU supported judicial, electoral, education and social protection reforms through bilateral cooperation (electoral, education and social protection reforms through budget support) and addressed gender-based violence through the European Instrument for Democracy and Human Rights.

Despite the not very encouraging context in Tajikistan, the EU continued its involvement in human rights and democratisation. The Call for Proposals launched under EIDHR led to funding in 2016-2017 of five new projects with a total value of almost EUR two million, which are focused on economic and social rights of prisoners and ex-prisoners; freedom from torture; promotion of rights of children with disabilities; gender-based violence; and finally, monitoring the realisation of international and national human rights obligations of Tajikistan. Besides, the EU implemented two contracts under the Stability - Rapid Reaction Mechanism (IcSP) for a total value of EUR one million aiming at decreasing risks of community conflict reoccurrence through inclusion of local youth into peace and confidence building and income generation activities.

In Uzbekistan, the EU launched two new EIDHR projects focusing on strengthening the role of women's civil society organisations in promoting human rights, gender equality and good governance as well as enhancing the role of civil society actors in understanding and promoting economic, social and cultural rights and the role of judges and courts in the protection of these rights.

In Turkmenistan, the EU Liaison Office hosted regular round tables with the local semi-independent CSOs over the course of the year.

3.3.2.6.2. Crisis response and preparedness

In general, the Instrument contributing to Stability and Peace (IcSP) actions aimed to contribute to regional stability in Central Asia and, in particular, supported projects intended to counter terrorism and violent extremism, to prevent conflict over natural resources and help youth in post-conflict areas.

On a regional basis, the IcSP supported the implementation of the Joint Plan of Action for Central Asia under the United Nations Global Counter-Terrorism Strategy, through assistance in coordinating the efforts of the five states in the region (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan) and international and regional organisations. IcSP also supported media efforts to improve environmental reporting on natural resources in Central Asia and promoted dialogue for conflict prevention related to environment and therefore contributing to enhanced regional stability.

In Kyrgyzstan, three new IcSP projects were launched early 2017 to support civil society initiatives that promote constructive dialogue on religion and democracy contributing to prevention of violent extremism and fostering a more cohesive society.

In Tajikistan, two IcSP funded projects continued to work with youth in post-conflict areas to increase their socio-economic inclusion and engagement in peace and confidence building actions, local decision-making processes, and income generation activities.

3.3.2.6.3. Thematic overview

The Central Asia Chemical, Biological, Radiological and Nuclear (CBRN) Centre of Excellence Secretariat has consolidated its regional setting in 2017 and extended its geographical scope to Pakistan, in addition, to Afghanistan, Kyrgyzstan, Tajikistan and Uzbekistan. All countries appointed their National Focal Point and have established a CBRN national inter-ministerial team. Three major regional projects are currently implemented covering biological and chemical waste management, biosafety and biosecurity, contributing to WHO International Health Regulations, the Biological and Toxins Convention against the spread of mass destruction weapons and the Codex Alimentarius. CBRN needs assessments have been completed in Afghanistan, Tajikistan and Uzbekistan and national action plans started in 2017. The region is discussing a regional action plan addressing specifically the UN Security Council Resolution (UNSCR) 1540⁹⁶. A regional table-top exercise on nuclear smuggling was organised in Astana on the occasion of EXPO 2017. A regional real-life field

⁹⁶ <https://www.un.org/disarmament/wmd/sc1540/>

exercise (named Jeiran) on cross border preparedness and response to biological and toxin contaminations has been designed.

At the end of 2017, the STRIVE Afghanistan action was launched in order to strengthen the resilience towards violent extremism, among the most vulnerable groups of repatriated migrants and the host communities in selected areas of the country. The research component through a community-wide approach will help to identify the main radicalisation drivers at community level and to design appropriate actions to address them. STRIVE Afghanistan will complement EU on-going efforts aimed at supporting the reintegration of returnees in the country.

3.3.2.6.4. Case studies or Testimonial about "Peace"

Enhancing Criminal Justice in Kazakhstan.



Context

Since the collapse of the Soviet Union, no major changes have happened in the justice sector of Kazakhstan. There are many areas in the judicial chain that require drastic transformation including low acquittal rates, the independence of judiciary, high prison population per capita, and the punitive approach of the system that all lead to a low level of public trust.

There were various attempts to modernise the system. However, many of them were limited to updating the legislation but not changing the culture and creating the environment that can establish an evidence-based, transparent, efficient and client-oriented system. The EUCJ – Enhancing Criminal Justice in Kazakhstan aimed at strengthening the Rule of Law and the reform of the law enforcement and judiciary in Kazakhstan.

Objectives

- Delivering client-oriented services in the criminal justice system by enabling horizontal cooperation among the state bodies leading to a higher level of public trust, data driven decision making, and evidence-based policy making in compliance with a human rights-based approach.
- Consulting and delivering technical assistance on changing repressive and punitive policy and practice to criminal justice system stakeholders.
- Development of community safety practices by improvement of the probation institute, development of a proper resocialisation system for offenders and managing ex-prisoners in

society after release, as well as enhancing inter-agency cooperation with a focus on reduction of risk of reoffending and risk of harm.

- Enabling change leadership across the system through the development and implementation of change strategy, mobilising ‘change champions’, setting up bottom-up engagement throughout the organisation, and establishing an effective governance system for implementation of change initiatives.

Impact

- ✓ The EUCJ supported the process of developing and opening 15 Justice Services Centres (JSC) across the country under the General Prosecutor’s Office. The JSCs are designed to provide justice related services to the public in the most client-oriented, efficient and transparent way. The centres are great example of horizontal cooperation between the agencies: prosecutors, police, mediation, psychologists and lawyers.
- ✓ As a result of the projects input a 30% reduction in the prison population was achieved without using amnesties: the prison population rate was 231 per 100 000 citizens in 2015 and 194 per 100 000 citizens in 2018 allowing eight prisons to be closed.
- ✓ More use of probation sentences and better management of offenders and the risks of reoffending with the number of probation clients in 2018 being 59 076 compared to some 41 000 people in 2015.
- ✓ Creation of constant and trusting relationships between individual probation officers and the offenders under supervision.
- ✓ A Project Management Office at the General Prosecutor’s office was created. This triggered systemic changes across the justice system affecting the police and judges. Currently other state bodies, i.e. Ministry of Interior and the Supreme Court, are adopting this modality of work, which is also being promoted by the President’s Administration.

“The transformation enabled by the EUCJ in the prosecutor's office covered all criminal justice players: police, judges and the prison service. As part of the transformation, not only did we take down the parting walls, but also we empowered the paradigm shift and changed the public perception of the criminal justice system,” Zhakip Assanov, Chief Justice of the Supreme Court of the Republic of Kazakhstan.

3.3.2.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.3.2.7.1. Implementation

Kazakhstan was the first of the Central Asian Republics to conclude in 2016 a new generation agreement with the EU. Under the Enhanced Partnership and Cooperation Agreement the EU and Kazakhstan are working together to broaden political dialogues, including on trade, customs, environment and climate change as well as to strengthen the Human Rights Dialogue, Rule of law and Civil society development. On human rights a substantial dialogue was held in November. A new Trade cooperation committee and a new subcommittee on Customs met for the first time in March 2017 in Astana. The EU –Kazakhstan partnership also serves as a platform for exchange on fostering closer regional cooperation among Central Asian countries, notably on security, connectivity and trade.

In Kyrgyzstan, the EU uses Budget Support as its main cooperation instrument: in 2017 more than half of the EU development assistance was channelled through the Kyrgyz national public financial management system to support the government's lead programmes. Budget support conditions enhanced Kyrgyz macroeconomic stability and policy coherence for sustainable development in the areas of Education, Social Protection, Governance and Public Financial Management. EU development cooperation in Kyrgyzstan also promoted an effective public-private and civil society partnership: since 2014 the Kyrgyz Ministry of Labour and Social Development has been expanding the contracting-out mechanism for the provision of social services for vulnerable people.

In Tajikistan, the EU was actively involved in the Development Coordination Council activities with a deputy chairmanship and chairmanship of several clusters and working groups. Significantly, the EU is the sole donor financing the activities of the DCC Secretariat for the years 2017 and 2018. Also in 2017, donors pledged to work with the Government to support priorities expressed in the National Development Strategy 2016-2030 (NDS) and the Mid-term Development Strategy 2016-2020 and other poverty reduction strategies at the 2015 Development Forum. In this view, it is important to further deepen harmonisation of the development partners systems and procedures with Government strategies and approaches, increase coordination among development partners, and ensure better aid predictability and alignment with the national development priorities.

In Uzbekistan, the EU and Member States are pursuing greater coordination at country level including through joint analysis and exploring the possibilities for joint programming. Blending is also envisaged to play a major role in implementing the current financial allocation, coupled with parallel co-financing of investment loans from multilateral financial institutions, as the latter are not eligible under the Investment Facility for Central Asia. Additionally, the EU took over the co-chairmanship of the water sector working group, together with Ministry of Agriculture and Water resources.

For Turkmenistan, meetings were held with representatives of all major development partners, including EU Member States in December 2017 where next steps for enhanced coordination and cooperation were agreed. The EU Liaison Office also regularly participated in the donor coordination meetings organised by the local UNDP office.

3.3.2.7.2. Thematic Overview

In 2017, two Central Asian countries benefited from Civil Society Organisations (CSO) country allocations for a total of EUR four million: Kyrgyzstan EUR 2.5 million and Tajikistan EUR 1.5 million. Kyrgyzstan also benefitted from LA country allocations of EUR 500 000.

These allocations are to be managed by the EU Delegation in each country through local calls for proposals.

Ala-Buka Partnership for Development

Context

Kyrgyzstan is a post-Soviet lower middle-income country, whose agricultural sector of is crucial for the economic and social life of the country constituting 25 % of the gross domestic product (GDP) of this landlocked state. GDP has significantly dropped since the 1990's, when agriculture represented some 45 % of GDP. Ala-Buka is a district within one of Kyrgyzstan's Jalalabad region in the south of the country. The district has the third highest level of poverty in Jalalabad, an unemployment rate of more than 50 %, and inadequate or decrepit infrastructure.

Objectives

- Reduce poverty in Ala-Buka by stimulating community-based socio-economic development and inclusive growth

Impact

- ✓ The local government granted 300 ha of arable land for apple and plum orchards to farmer cooperatives. The cooperatives created the critical mass for investment in the drying equipment and market diversification reaching Indian and Tajik markets
- ✓ Rehabilitation by the authorities with a significant co-financing from private individuals and enterprises of irrigation canals (impacting 4 200 hectares of arable land), drinking water systems and electricity lines had an immediate impact on the economic potential of the area
- ✓ The enhancement of value chains, especially within the plum and apple system (EUR 280 000 of annual gross profit), had a positive economic effect on the communities of Ala-Buka.
- ✓ Farmers' productivity increased through new agricultural knowledge (effective use of water, fruit processing and orchard development), joining the cooperatives and promoting the products under the 'Ala-Buka' brand
- ✓ 803 community members actively participated in eight public budget hearings and achieved municipality transparency budgeting within the action
- ✓ With the establishment of Local Development Platforms, citizens, enterprises and local authorities developed together the five-year District Sustainable Development Programme

"I have four children, and two of them are students. The EU project made it possible for us to attain market access for our goods. As a result, my family budget has increased, and I can now cover study fees for my children without cutting on other important expenses." Almakhan, Director of the Ala-Buka district cooperative.

3.3.3. Middle East / Gulf Region

3.3.3.1 Introduction (Policy Developments)

Iraq

The EU continued to support the non-military efforts of the Iraqi government to defeat Da'esh, in particular by continuing its humanitarian, protection and resilience aid, providing support to stabilisation, including demining, encouraging reconciliation efforts and boosting development in key sectors, such as primary and secondary education and local government. Based on the Foreign Affairs Council mandate of June 2017, the EU started working on an EU Strategy for Iraq to confirm the EU's engagement in Iraq beyond the complete territorial defeat of Da'esh that was announced by the Iraqi government in December 2017 as the root causes of Da'esh's emergence still need to be tackled. Furthermore, to assist in tackling rule of law issues, the EU deployed in November 2017 an EU Assistance Mission in the civilian security sector (CSDP mission) to Iraq. The EU continued to firmly condemn all human rights violations committed in the country, calling for perpetrators to be brought to justice while maintaining its opposition to the death penalty. EU support for Iraq between 2014 and 2017 to address the crisis in the country has totalled more than EUR 650 million.

Gulf Cooperation Council

The EU consistently supported mediation efforts, including the visit of the HR/VP to Kuwait on 23 July, aiming to solve the diplomatic rift between Qatar and the Quartet (Saudi Arabia, UAE, Egypt and Bahrain) which erupted in June 2017. Against the background of the stalemate affecting Gulf regional cooperation, the EU sought to strengthen cooperation with both the Gulf Cooperation Council (GCC) Secretariat, and with all GCC Member States individually. The 28th EU-GCC Joint Cooperation Committee was held on 23 November 2017 in Brussels.

Bilateral dialogue with Qatar and with the United Arab Emirates (UAE) led to the discussion of non-legally binding Cooperation Arrangements between the EEAS and the respective ministries aiming at fostering political dialogue and cooperation by ways of increased exchanges between officials and efforts to promote concrete cooperation initiatives.

The second round of EU – Qatar negotiations for an air transport agreement took place in March 2017. The EU funded the Hedayah CVE Centre (Countering Violent Extremism) in Abu Dhabi (UAE) via the STRIVE Global action with EUR five million during 2014-2017.

Discussions with Kuwait focused on ways to support Kuwait's Vision 2035 through focused work on economic cooperation and energy as well as on enhancing cooperation and coordination on development and humanitarian aid under the aegis of the signed Cooperation Arrangement.

The EU and the Kingdom of Saudi Arabia (KSA) held a counter-terrorism dialogue in January 2017. The EU held informal human rights dialogues with the UAE and the Kingdom of Bahrain.

Yemen

As the conflict continues in Yemen, the EU has lent its full support to the UN-led peace process and the work of the UN envoy. Council Conclusions were adopted on 3 April 2017, calling on all parties to cease hostilities while advocating for a political solution to the crisis and proposing a new, enhanced role for the EU in supporting the UN-led process. Since the start of the conflict, the EU has mobilised

EUR 233.7 million of humanitarian assistance to the Yemen crisis notably in food assistance, nutrition support, health, hygiene and shelter life-saving assistance. In 2017 a total of EUR 76.7 million has been allocated to the Yemen humanitarian response. Various EU diplomatic initiatives centred on the need to guarantee full access/ delivery of emergency relief were carried out in 2017 towards all parties in the conflict with the ultimate goal of avoiding a full-fledged humanitarian disaster.

3.3.3.2 Working Better Together, Development effectiveness, and donor coordination

After more than a decade of protracted violence, the Middle East and Gulf region struggles with the weakening of political institutions, social cohesion and economic activity. In Iraq, the rise and subsequent fight against Da'esh has destroyed infrastructure and shattered human lives. The Iraqi government now faces the challenge of re-establishing security, basic services and good administrative infrastructure as well as allowing the voluntary and safe return of 2.6 million internally displaced people. In Yemen, years of conflict have pushed the poorest country in the Arab world into a humanitarian disaster, with famine and disease further weakening the already war-torn population. Meanwhile, Iran is hosting up to three million Afghan refugees due to the security situation in its neighbouring country.

In line with the 2030 Agenda for sustainable development, the EU is committed to creating the conditions for peace in its partner countries, to reducing the immediate suffering of the population and to fostering reconstruction and development. As stated by the New European Consensus on Development, this requires cooperation and coordination between EU institutions, Member States and international partners. The work launched in 2017 for the preparation of the EU Strategy on Iraq goes in this direction. This helped define a joint approach of EU institutions and EU Member States that creates synergies between the short-term humanitarian and stabilisation efforts and the longer-term reconstruction efforts.

Violence, fragility, vulnerability and the root causes of conflict must be addressed through a collective and comprehensive approach, by combining humanitarian and developmental policy and creating synergies between different SDGs. The choice of having Iraq as one of the pilot countries of the Humanitarian-Development Nexus as stated in the conclusions of the Foreign Affairs Council of 11 September 2017 reflects this vision. EU assistance to Yemen followed the same comprehensive logic of an aid continuum.

Support for vulnerable populations requires the EU to entertain a close partnership with the governments of Iraq and Yemen. Since 2003, the EU and the Iraqi government have fruitfully cooperated on issues ranging from education to energy and human rights, both on a national and provincial level. These efforts were cemented by direct cooperation with different local actors and national authorities, especially in the domain of security reform. In Yemen, the EU entertains a balanced engagement with all parties and therefore is seen as an honest broker and neutral interlocutor. In a situation where the number of implementing partners is diminishing due to the escalation of the conflict, the EU has managed to build fruitful partnerships and actionable dialogue with the main interlocutors still present on the ground.

Creating conditions for prosperity with limited resources requires donor coordination with both the public and private sector. Thanks to a series of consultative meetings, different donors were able to

agree on the most urgent domains of intervention in Yemen. The preparation of the Kuwait conference for the reconstruction of Iraq demonstrated how cooperation between the EU and its partners can foster not only the material but also the human component of reconstruction. Both cases are a testimony for the success of such a multilateral approach.

Because people are at the heart of its efforts, the EU supports civil society organisations as its partners for peace, good governance and national reconciliation. In Iraq, the EU supported local initiatives that focus on preserving the national heritage and local environment, promoting cultural pluralism and providing legal support to disadvantaged groups and individuals. In Yemen, the EU helped local communities to sustain basic services and to contribute to the ending of the current crisis. Meanwhile, Iran remained a recipient of funding for civil society organisations, in particular those focussing on environmental challenges. Smaller projects within the regional 'Aid to Uprooted People' programme, benefitting Afghan refugees and especially children, were also implemented.

3.3.3.3 PEOPLE – Human Development, dignity and education

3.3.3.3.1. *Implementation*

In Iraq, the Da'esh insurgency coupled with the burden of supporting more than three million Iraqi internally displaced people (IDPs) and 250 000 Syrian refugees constituted a great challenge: large parts of the national infrastructure were destroyed or overburdened, trade was disrupted, access to fuel and electricity was impeded and international investors had little confidence in the country as a destination for investment. Everyday life, from healthcare and education, to culture, human development and shelter was affected.

The military defeat of Da'esh, though a significant milestone, is only one of the many steps that need to be taken towards the long-term stabilisation of the country. The EU responded to these multifaceted challenges by swiftly providing Iraq with more targeted assistance in addition to conventional development cooperation. In 2017 the EU adopted a EUR 60.4 million stabilisation package to support Iraq after the liberation of areas held by Da'esh. These stabilisation measures in newly liberated areas aimed to facilitate the safe return of internally displaced persons (IDPs).

In addition, as part of a broader action targeting the challenges of migration and protracted forced displacement in Asia and the Middle East, the EU mobilised a EUR 10 million envelope in support of actions to improve access to integrated service-delivery and economic opportunities for IDPs and host communities in Iraq. The programme also includes support to national authorities to develop and implement comprehensive national migration policies, including measures against smuggling and trafficking in human beings and information activities on safe migration practices.

Education has seriously suffered from chronic underfunding, degradation of infrastructure and loss of human resources. Following the defeat of Da'esh, providing access to quality education has become even more important as a key vehicle for stabilising these areas and creating the foundations for recovery. The EU already foresaw assistance to the education sector, in particular Technical Vocational Education and Training (TVET), in the 2014-2017 Multi-Annual Indicative Plan for Iraq. In 2017 this was reinforced with a EUR 12.6 million programme set up to provide a swift response to the crisis in Iraq through better access to primary and secondary education for internally displaced persons (IDPs) and returnees.

In Yemen, the ongoing crisis has created a humanitarian catastrophe which has left 90 % of the population in need of assistance. In the present context, playing a humanitarian role is not enough. That is why, despite these extremely difficult circumstances, the EU has chosen to maintain a longer-term perspective and help local communities sustain basic services, empowering them to bring about a peaceful solution to the current crisis. Through 2017 the EU managed to implement several activities that support human development and dignity by building up the resilience of crisis-affected communities, especially of the internally displaced persons (IDPs). The Enhanced Rural Resilience in Yemen (ERRY) Programme funded by the EU and implemented by different international partner organisations played an important role in enhancing the resilience and self-reliance of crisis-affected rural communities in Yemen. Additionally, basic health- and social services were at the core of the EU effort. In partnership with the Social Fund for Development, for instance, schemes for social safety net measures such as cash for work and health service delivery through the empowerment of local development programmes were supported.

In Iran, the EU financed the regional Aid to Uprooted People programme, which supports Afghan refugees by granting access to education in Iran. Activities included the construction of schools in areas populated by refugees and supporting literacy classes. Besides, students were provided with psychosocial support to cope with the experience of violence, war and forced displacement. Support to Afghan refugees in Iran was greatly reinforced in 2017 with the adoption of the special measure 'Addressing migration and forced displacement challenges in Asia and the Middle East: a comprehensive regional EU Response', which foresaw actions benefitting Afghan refugees in Iran for an amount of EUR 25 million.

Education

In 2017 Erasmus+ continued to support education in the Middle East region and added for the first time the possibility to organise short-term higher education student and staff exchanges to already existing opportunities. This first call for academic exchanges allowed for 595 mobilities between Europe and the Middle East, of which 384 were from Iran and Iraq towards the EU and 211 were from the EU towards the region. On top of this, 72 Master degree scholarships were awarded to students coming from all countries in the region. In addition, the programme has financed 30 capacity-building projects for higher education institutions in the region since the start of this cooperation with the region in 2015, projects selected in 2017 include four instances of participation from Iran and Iraq.

Erasmus+ also supports academic cooperation with the Gulf Cooperation Council, the Erasmus Mundus Joint Master Degree with participation from an organisation from the region was selected in 2017, and a national from Bahrain received an Erasmus Mundus Joint Master Degree scholarship.

3.3.3.3.2. Thematic overview

Strengthening social protection mechanisms for food and nutrition security has long been a priority for EU development cooperation. Together with the Food and Agriculture Organisation, the EU has assisted over 3 000 vulnerable farmers in Lebanon, hit by the Syrian crisis. By creating small poultry farms producing 10 million eggs a year, the EU has not only improved food and nutrition security, but also generated income and employment for refugees and host communities. In Yemen, the EU has

been active within the Nexus Humanitarian Development through a consortium of NGOs supporting multipurpose cash transfers.

3.3.3.3. Case studies: People

Supporting education in Iraq

Context

The Iraqi education system requires substantial improvements to meet the demand of a population seeking quality basic education. Primary school enrolment (91 %) has improved in recent years. However, of those enrolled, only 44 % complete primary school at the expected time, with wide discrepancies in both enrolment and completion between districts, gender and urban/rural populations. Of the one million displaced children in Iraq, 70 % have missed more than a year of school. Reintegrating them into schools is becoming an increasingly difficult, but urgent, task.

To ensure that all Iraqi children have equal access to quality education, the EU supports programmes for almost EUR 36 million in this key area. Working in partnership with civil society organisations and local and central governments, emphasis is laid on inclusive education for vulnerable school-age children (6-17) including IDPs, refugees and children with disabilities.

Objectives

- Increase Access and enrolment rates through an analysis of the causes of low enrolment and the development of a mitigating strategy; Increase access to education for children with disabilities through the collection of baseline data, updating legislation and the curriculum, capacity building and awareness-raising; improved access to inclusive education for vulnerable school-age children (6-17, including IDPs, refugees and children with disabilities).
- Better Quality education by building capacities to enhance curricula and support vulnerable children, including those with special needs; enhancing quality assurance using different sets of standards and enhancing capacity to deliver education in emergencies.
- Enhancing policy dialogue between national, regional (including the Kurdish Regional Government) and local authorities on education (including education in emergencies).

Impact

- ✓ Enrolment rates have increased.
- ✓ The quality of education has been raised.
- ✓ Access to education for vulnerable children, including IDPs, refugees and children with disabilities has increased.
- ✓ The evaluation of schools against common standards has been undertaken.

Enhancing Rural Resilience in Yemen

Context

The conflict has exacerbated chronic vulnerabilities among the Yemeni population, leaving an estimated 18.8 million people in need of humanitarian assistance. The poverty rate has doubled during the last three years. Conflict, displacement and economic decline are placing severe pressure on essential basic services and the institutions that provide them, pushing some of them towards total collapse. As a direct consequence, an estimated eight million Yemenis have lost their livelihoods or are living in communities with minimal to no basic services. The latter therefore require support to strengthen their resilience, especially in rural areas. These resilience-based interventions protect livelihood assets and create livelihood opportunities for crisis-affected households which are not targeted by the usual relief aid.

Objectives

- Ensure communities are better able to manage local risks and shocks for increased economic self-reliance and enhanced social cohesion.
- Support institutions to be more responsive, accountable and effective in delivering services, building the social contract and meeting community needs.

Impact

- ✓ More than 40 000 beneficiaries have been reached to date.
- ✓ Around 50 000 households have been reached and supported through resilience enhancement and economic empowerment activities conducted by four UN organisations and 12 implementing partners in 18 rural districts.
- ✓ Social cohesion and local administration capacities have been strengthened including through training of mediators, including women, and community-based conflict resolution mechanisms have been established.
- ✓ Community Resilience Planning capacities have been strengthened, such as establishing Village Cooperative Councils and developing Community Resilience Plans and Community Self-help Initiatives.

3.3.3.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.3.3.4.1. *Implementation*

Life in **Iraq** is largely reliant on the water of the rivers Euphrates, Tigris and Karun. Due to drought and industrialisation, the quality and quantity of available water has significantly diminished, especially in the central and southern parts of Iraq. Intra-communal conflicts linked to water usage are increasingly frequent and constitute a major risk to peace and reconciliation.

The EU has put in place a three-pronged programme to assist the government of Iraq in establishing a comprehensive water management system which is economically efficient, equitable and environmentally sustainable. With an envelope of EUR 15.7 million, the programme aims to improve national water management capacities, raise public awareness of efficient water use and improved

hygiene practices, and establish an integrated water quality monitoring system in 10 Iraqi governorates.

Beyond water, Iraq is largely dependent on its natural oil resources which are the main source of energy, employment and governmental income. The low oil prices over the last years and the destruction of infrastructure led to unemployment and a lack of public funds. As part of its commitment in providing access to sustainable energy for all, the EU conceived actions fostering the enhancement and establishment of more reliable, affordable and sustainable energy sources, with a focus on limiting the environmental impact of hydrocarbon combustion, thereby laying the foundations for further interventions in this field.

Lastly, in an attempt to raise general awareness on ecological issues, the environmental awareness campaign 'Clean in 1 Day' was organised in different governorates.

In **Yemen**, the civil war has largely destroyed or overburdened public infrastructure. It is therefore more crucial to provide vulnerable communities with a decentralised and reliable access to energy and water that provides for the most fundamental needs.

As part of the Enhancing Rural Resilience in Yemen, communities were introduced to solar energy systems and more productive community assets, raising awareness on the benefits of using solar energy and building local capacity. Furthermore, and to promote social cohesion in local communities, insider mediators were recruited and are being trained, along with members of the Water Users Associations (WUAs), to increase their knowledge of sustainable water usage.

3.3.3.4.3. Case studies: Planet

Surveying Hydrogeological Resources in Iraq

Context

Considerable variability of the climate, dependency on water that originates outside its territory and high domestic demand caused Iraq's hydrological system to undergo dramatic changes over the past 30 years. A shortage of surface water has led to the depletion of reservoirs, lakes and Rivers. Water levels in the Tigris and Euphrates rivers, Iraq's primary sources of surface water, have fallen by more than two-thirds. The government estimates water reserves are down to 20 % and that close to two million Iraqis face severe drinking water shortages. Meanwhile, groundwater levels have dropped in many areas, forcing excavators to dig deeper wells, thereby accelerating the decline of groundwater resources and threatening complete depletion. In the South, these phenomena have led to the encroachment of seawater.

Over the years, the EU has mobilised EUR 15.7 million to assist the Iraqi government in establishing an economically efficient, equitable and environmentally sustainable comprehensive water management system. Improving usage, scientific research and raising public awareness of efficient water use are also part of the programme

Objectives

- Improve capacities for integrated groundwater resource management.
- Deliver an advanced survey of Hydrogeological Resources in Iraq.

- Build national capacities in remote sensing technologies and mapping of hydrogeological resources.
- Improve national planning and policy development capabilities of Iraqi Institutions dealing with groundwater resources.

Impact

- ✓ An advanced hydrogeological survey was implemented and the results were integrated within a geographical database.
- ✓ Capacities built in hydrogeological mapping with 20 government officials trained.
- ✓ Capacities were built in exploration and monitoring of hydrogeological resources, the ability to utilise Water Exploration Systems, drilling handbooks and to conduct ground-truthing exercises and monitor groundwater on-site via Groundwater Exploration Navigation Systems.
- ✓ Capacities were built in managed aquifer recharge and sustainable exploration of soils.
- ✓ Skills for database interpretation and management were built.
- ✓ Training needs were assessed.
- ✓ Planning and coordination was enhanced for improved management of hydrogeological resources.

3.3.3.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.3.3.5.1. Implementation

Iraq has witnessed decades of state-driven economic policy which has discouraged private sector growth. A dominant public sector has stifled private sector activity in virtually all parts of the economy. A large proportion of the labour force is employed by State-owned enterprises which provide almost all formal jobs. Unemployment is a major concern for Iraq and has sharply increased over the last years, due to the decline in investment and a mismatch between labour market needs and educational outcomes. The failure to modernise the Technical Vocational Education and Training (TVET) system and to foster sustainable employment opportunities further weakens the socio-economic fabric.

The EU has responded to these needs by supporting the TVET system reform through a EUR 12.3 million project in partnership with national authorities and UNESCO. The goal is to make TVET a key driver for Iraq's economic development by increasing the competitiveness and relevance of TVET in line with international standards and Iraq's labour market needs. By doing this, the project seeks to deliver quality education to young people to prepare them for self-employment.

Through the support to the UN Funding Facility for Stabilisation, EU assistance has contributed to the delivery of grants to small businesses and rehabilitation of basic services and public infrastructure which have generated new job opportunities in newly liberated areas. EU assistance to the Funding Facility for Stabilisation was further strengthened in 2017 with an additional EUR 50.4 million.

The conflict in Yemen has further aggravated the pre-existing conditions of poverty. In addition to the resulting hunger, death and social stigma, the extreme poverty constitutes an acute security risk, as especially young males join militias and terrorist organisations to support themselves and their families.

Under the Enhanced Rural Resilience in Yemen (ERRY) Programme, resilience-based interventions were set up to complement the humanitarian relief with measures protecting livelihood assets and creating livelihood opportunities. These resilience interventions helped build foundations for post conflict recovery and sustainable development.

3.3.3.5.3. *Case studies: Prosperity*

Competence Based Training in the Iraqi Oil Sector

Context

Iraq is known for its young population. Nearly 60 % of its citizens are less than 25 years old. The total labour force in Iraq age (15-64) was estimated to be 8.3 million in 2013 with an unemployment rate of 16 % - this has since increased. following the war against Da'esh and the decline in oil prices. Iraq's largely state-run economy is dominated by the oil sector, which provides more than 90 % of government revenue and 80 % of foreign exchange earnings and is a major determinant of the economy's fortunes. The labour market in the oil and gas sector in Iraq is yet to be developed. Young Iraqis need vocational and technical skills to compete with the foreign labour force that currently works in the sector.

Objectives

- To support the establishment of an open, stable and sustainable society based on a diversified and growing market economy that generates employment, reduces poverty and promotes equitable economic and social development.
- To deliver and develop new competency-based, demand-driven curricula.

Impact

- ✓ Based on a labour market survey, long term skill development plan for the oil sector were prepared.
- ✓ Competency Based Training (CBT) curricula, syllabi, and modules for specific labour-intensive occupations were tested and implemented.
- ✓ Instructors were trained to use CBT approaches.
- ✓ Technical upgrading for TVET instructors was introduced.
- ✓ Models for apprenticeship and other alternative approaches to skills training were developed and tested with selected employers.

Enhancing Rural Resilience in Yemen

Context

The conflict has exacerbated chronic vulnerabilities among the Yemeni population, leaving an estimated 18.8 million people in need of humanitarian assistance. The poverty rate has doubled during the last three years. Conflict, displacement and economic decline are placing severe pressure on essential basic services and the institutions that provide them, pushing some of them towards total collapse. As a direct consequence, an estimated eight million Yemenis have lost their livelihoods or are living in communities with minimal to no basic services. The latter therefore require support to

strengthen their resilience, especially in rural areas. These resilience-based interventions protect livelihood assets and create livelihood opportunities for crisis-affected households which are not targeted by the usual relief aid.

Objectives

- Ensure communities are better able to manage local risks and shocks for increased economic self-reliance and enhanced social cohesion.
- Support institutions to be more responsive, accountable and effective in delivering services, building the social contract and meeting community needs.

Impact

- ✓ Agricultural Value Chain Developments included the establishment of Village Agriculture Producers Groups.
- ✓ Knowledge and technical skills of smallholder farmers on value chain development and farming were improved.
- ✓ Small dairy equipment was provided to smallholder beneficiaries, including female-led households.
- ✓ Emergency Employment and asset rehabilitation through cash for work was established with more than 1 6000 participants in cash-for-work activities and about 900 youth engaged in community-based cash-for-work activities and emergency employment initiatives, which have also generated important saving flows.
- ✓ More than 500 micro-business were successfully established and running.

3.3.3.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.3.3.6.1. *Implementation*

In Iraq, Da'esh's military defeat, though a significant milestone, is only one of the many steps that need to be taken towards the long-term stabilisation of the country. The level of destruction is huge, and the social fabric of the country needs to be rewoven. In a fragmented political scene, it is essential to address the socio-political and economic root causes of Da'esh's rise, in order to ensure long-term stabilisation of Iraq and sustainable recovery from endless cycles of conflict and extremism.

In 2017, the Commission further strengthened its action in the field of stabilisation by adopting a EUR 60.4 million package to support Iraq after the liberation of areas formerly held by Da'esh. This measure includes actions focused on demining and rehabilitation of basic services delivery, public infrastructure and reactivation of economic activity through small businesses grants.

In addition, the EU supported actions to combat all forms of discrimination on the grounds of religion and belief (or non-belief) and launched initiatives focused on encouraging tolerance and understanding among different religious communities. Activities included the development of curricula based on religious tolerance, human rights and non-discrimination, which were then used to train government teachers and community leaders, and actions enhancing the understanding of

the role of religion and its relationship to peace building and collaboration with local and national media networks to improve the flow of accurate information and provide non-politicised content.

Peace efforts in Yemen are extremely difficult due to the complexity of the situation on the ground and in the international political arena. While working on rule of law and governance remained very difficult due to the lack of interlocutors within the remaining national institutions and the instability of the country, the EU succeeded to provide effective support to human rights defenders (including journalists) through a special Emergency Fund. Furthermore, the EU engaged in efforts to raise the awareness of youth on the need for and potential of youth involvement in peacebuilding at a local level.

3.3.3.6.2. Crisis response and preparedness

With EUR 30 million allocated in 2017 under the Instrument contributing to Stability and Peace (IcSP), the Syria crisis remained the priority for stabilisation engagement with actions (exceptional assistance measures) conducted both inside Syria and the neighbouring countries affected by the conflict. In 2017, three new IcSP measures were adopted in this context.

With the Syria Peace Support Initiative adopted in 2016 and implemented throughout 2017, the IcSP provided a direct, flexible operational support mechanism to the EU's diplomatic efforts to foster peace and political transition in Syria. Throughout 2017, this Initiative was instrumental in supporting the talks, in particular UN-brokered international mediation, and the consolidation of the Syrian opposition's negotiation platform. It also promoted an inclusive vision of transition for Syria, including through direct support to civil society networks, women and human rights organisations. Building on lessons learned from this first phase, a second EUR nine million phase was adopted in December 2017 providing concrete means to back up the EU's commitment to a political settlement of the conflict, as outlined in the April 2017 EU Strategy on Syria⁹⁷ and by the organisation of the Brussels I conference on Syria in Spring 2017. The IcSP also renewed its commitment to transitional justice and accountability via targeted support to the International, Impartial and Independent Mechanism, in direct response to UN General Assembly Resolution 71/248 of December 2016. This programme complements bilateral efforts of several EU Member States alongside ongoing support to the International Commission on Missing Persons (ICMP). Finally, IcSP also provided support to education in opposition-held areas allowing many families to remain in their homes: Over the past six years of conflict, Syria has suffered a major setback in education, at least 1.75 million children (almost one third of the school-age population) are not attending school and 1.35 million are at risk of dropping out. The IcSP support started in May 2017 and contributed to running the summer 2017 exams (leading to qualifications for university entry) and to address unmet education needs by scaling up support for the academic year 2017/18 with a focus on both access and quality.

In Iraq, in the context of the military struggle against Da'esh, the IcSP supported Iraq in the areas of Security Sector Reform and Rule of Law, reinforcing the Iraqi Intelligence Community's ability to coordinate and fuse intelligence in a manner compliant with Human Rights and the principle of Rule of Law. The IcSP was also mobilised to support the Iraqi authorities to develop and implement a

⁹⁷Council conclusions on an EU strategy for Syria, adopted at the 3530th Council meeting on Foreign Affairs of 3 April 2017

strategy to address the issue of missing persons (the number of missing persons in Iraq are estimated to range from 250 000 to one million following decades of conflict and human rights abuses). Efforts also continued to support building the pre-deployment capacity of the police in Iraq, reduce conflict between internal displaced persons and host communities, foster dialogue and reconciliation efforts and to demine and decontaminate areas recovered from Da'esh.

In Yemen, which remains in a situation of open conflict, the IcSP initiated the implementation of a City Profiling System, which rapidly collects and presents statistically sound data at city and neighbourhood level, identifying areas of greatest need and concern. Furthermore, a flexible Peace Support Initiative was launched to provide financial, technical and operational support to peacebuilding processes in the country.

In Israel and Palestine, EUR seven million in support to dialogue and resilience was provided by the IcSP to foster communication and exchanges between the different parties of the conflict. This support enabled vital inclusion of community perspectives in internal Palestinian and Israeli-Palestinian dialogue and assisted the Palestinian populations and institutions in dealing with conflict triggers and uncertainty. Support to positive youth engagement within communities further helped to reduce violent and risky behaviour of marginalised and disenfranchised youth.

IcSP actions in Jordan have focused on 15 Countering Violent Extremism (CVE) issues since 2015, as a response to the government's request for support. This includes work to research the drivers of radicalisation and support to the creation of a CVE directorate to help youth resist the influence and recruitment from violent extremist groups, by creating awareness among grassroots communities, and the renovation of cultural centres across the Kingdom in order to support civic and cultural preventive activities. Another project will also reinforce the border crossing point with Iraq in Karameh to ensure that the border can function securely. It will rehabilitate and upgrade the border infrastructure to allow for a gradual return to normal cross-border traffic.

While the ongoing conflict in Syria continues to impact Lebanon's delicate security environment, the dire socio-economic conditions of the Palestinian refugees across the 12 camps in the country remain a major factor for instability. The situation is particularly critical in Nahr el Bared Camp where the IcSP is contributing to rehabilitate it in partnership with the United Nations Relief and Works Agency in the Near East (UNRWA), for the benefit of 358 families. Facilitating participation of young Palestinian refugees in decision-making structures, across the 12 camps in Lebanon, constitutes another key focus of this action.

3.3.3.6.3. Thematic overview

Important demining actions have been set up in Iraq, Lebanon and Libya.

3.3.3.6.10 Case studies: Peace

Breaking the Cycle of Sectarian Violence in Iraq

Context

Iraq has experienced more than 30 years of open war, armed conflict and sanctions, most recently with the rise and fall of Da'esh involving intensified fighting and large-scale displacement of people

since January 2014. In this context, issues of identity, rights and interests have been further exacerbated. Research has shown that both religion and media have a considerable impact on the process of national reconciliation both in a positive and negative way.

Objectives

In 2017 the EU launched a new initiative that tries to tackle the key influencers of sectarian violence in Iraq that will

- Increase the quality of information provided by media and the debate addressing religion as a driver for peace in Iraq.
- Channel this information cross and through the government/ Civil Society Organisations/ religious leadership divide to effectively tackle the peacebuilding/social cohesion, media and religion at a more local level.

Impact

- ✓ The chances of disrupting the violence cycle are gradually increasing.
- ✓ The foundations are being laid for a sustainable reconciliation process.

Youth and National Dialogue Outcomes in Yemen

Context

Youth actors were at the forefront of the Yemeni revolution in 2011. They remain strong proponents of improving democratic processes, making institutions more accountable and increasing respect for human rights and equal citizenship. However, due to the current political dynamics in Yemen, they are disengaging from political participation through formal governance channels. Young men and women are particularly marginalised from Yemen's political processes, including the peace processes, and often lack the skills, experience, coherence or networks to influence change. The EU has launched an initiative to support youth engagement in the political process and the role of youth in local peacebuilding.

Objectives

- To empower civil society actors to promote more inclusive, equitable and democratic political processes in Yemen that respect and protect human rights.
- To strengthen the capacity of youth actors to advocate for and monitor the implementation of National Dialogue outcomes at a local and governorate level.

Impact

- ✓ A decentralised youth network with platforms for discussion and facilitated exchanges and coordination was supported.
- ✓ Training programmes for youth on key public policy issues, advocacy and monitoring skills were run.
- ✓ Supported youth platforms acted as 'watchdogs' to monitor the implementation of priority public policies.
- ✓ Short videos for the #LetsCoexist campaign and #MakeArtNotWar were produced, as well as policy briefings on Yemen as part of an awareness raising campaign on the conflict.

3.3.3.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.3.3.7.1. *Implementation*

Iraq has offered a unique opportunity to put into practice the principles of the Global Strategy and the new Consensus for Development in a particularly favourable political environment, with a Government committed to political and economic reforms that have the backing of the international community and an inclusive national agenda.

In response to the challenges faced by Iraq over the recent years because of the Da'esh insurgency, the EU has significantly stepped up its involvement and support to the Iraqi government, it has increased its diplomatic outreach to Iraq and funds have been mobilised rapidly, ensuring coordination between the EU and Member States' interventions. Spanning from humanitarian aid, stabilisation, early recovery and development cooperation, to diplomatic, security and defence efforts, the coordination between a wide range of EU policies and instruments has allowed the EU institutions and Member States to implement a strategic approach to address the country's vulnerabilities and urgent needs in a more integrated and effective way.

In September 2017, the Foreign Affairs Council identified Iraq as one of the pilot countries for the operationalisation of the humanitarian-development nexus. Fitting into the broader EU policy perspective, EU and Member States are seeking to close the gap between humanitarian, resilience and development actors to enable them to work closely together to address the protracted crisis and fragility in Iraq and meet the objectives of the SDGs.

In its contacts with the Iraqi authorities, the EU emphasises the importance of an inclusive process of reconciliation both at national and local level, and the need to make tangible progress on political reforms to enable full national reconciliation. With programmes worth more than EUR 46 million, the EU is supporting local and regional governments to have their own local development plans and stronger and accountable governance for their citizens. Those go from community-based projects to nation-wide initiatives to break the cycle of sectarian violence.

The migration and forced displacement assistance package adopted in 2017 represents another positive example of the operationalisation of a more holistic engagement of the EU with Iraq. In 2017, in close coordination with relevant Commission services and EU Member States, a migration dialogue was initiated with the Government of Iraq for the local authorities to adopt a more comprehensive and inclusive approach which takes into account bridging humanitarian and development assistance to ensure that the several dimensions of migration and forced displacement are adequately addressed.

Donor coordination for stabilisation purposes is essential. This is why the EU leads the counter-Improvised Explosive Devices action of the United Nations Mine Action Service (UNMAS) and is one of the main donors to decontaminate areas recovered from Da'esh alongside the Member States' contribution.

In Yemen, despite the current difficult circumstances, concrete partnerships on a number of initiatives took place in the course of 2017. The EU, EU Member States, Switzerland and Norway agreed to map their programming to identify any potential to improve harmonisation and reduce fragmentation. Participating donors provided information on 257 individual projects that will allocate

EUR 1.373 billion to Yemen between 2015 and 2020. This exercise was a first step towards a more coordinated European approach to aid delivery in Yemen which could help reduce risks and maximise opportunities by pooling financial and technical resources towards common priorities and jointly conveying policy messages on issues of common concern. Furthermore, the EU took the lead in two out of five Technical Working Groups on Security and Police, organised by the UN Special Envoy to Yemen, and was actively engaged in the UN-sponsored Yemen Pledging Conference in Geneva in 2017.

3.3.3.7.2. Thematic Overview

In 2017 in the Middle East, Iran benefited from a CSO country allocation for a total of EUR three million and Syria from a LA country allocation for a total of EUR 750 000. Previous years' allocations for Iraq and Yemen continued to be implemented. These allocations are managed by the EU Delegation responsible for each country through local calls for proposals, or by Commission Headquarters in the case of Iran.

3.3.3.7.3. Case studies: Partnerships

<p>Demining and decontamination in Iraq</p> <p>Context</p> <p>Da'esh left behind an unprecedented number of mines and improvised explosive devises (IEDs), both in private and public areas, in the area it occupied. The danger linked to entering these areas have been one of the main obstacles for internally displaced persons to voluntarily return to their former homes.</p> <p>Objectives</p> <p>Alongside its Member States, the EU is one of the main contributors to the decontamination effort of the areas recovered from Da'esh. The EU has taken the lead of the Global Coalition's sub-working group on explosive hazard mitigation. All relevant actors involved in clearing the improvised mines (ranging from UN agencies to NGOs, private contractors and national as well as local Iraqi actors) are involved in the group's efforts, which include:</p> <ul style="list-style-type: none">• The clearing of areas of mines and IED.• Risk education campaigns for displaced people.• Humanitarian assistance and reconstruction efforts.• In addition, the working group was a forum for knowledge exchange the development of a clearance standard that could be used to train more local actors.• In the same spirit, in 2017 the EU and the United Nations Mine Action Service (UNMAS) launched the counter-IEDs action. <p>Impact</p> <p>✓ So far, the decontamination efforts have already shown significant results.</p>
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- ✓ In Ramadi alone, more than 6 000 students were able to return to their studies thanks to the clearance of the university.
- ✓ Another 2 000 people were able to return to the city's teaching hospital and resume their jobs.

3.3.4. Pacific

3.3.4.1 Introduction (Policy Developments)

Climate change continues to be the single greatest threat to the Pacific region. It challenges the Pacific countries' ability to progress towards achieving the SDGs. Building on the alliance forged for concluding the Paris Agreement on climate action, the EU and the Pacific countries continued to cooperate towards the implementation of the agreement. In particular, the EU supported Fiji's Presidency of COP23, highlighting the plight caused by climate change in the Pacific.

Ocean governance, marine environment and the fight against illegal, unreported, and unregulated fishing were in the centre of high-level discussions held in the UN framework under Fiji's and Sweden's chairmanship and during the 2017 Our Ocean Conference in Malta hosted by the EU.

With the existing Economic Partnership Agreement delivering economic advantages to participating countries Papua New Guinea (PNG) and Fiji, Samoa and Solomon Islands expressed their intention to accede to the agreement.

With Pacific Island countries being frequently hit by extreme weather events (such as cyclone Donna in Vanuatu and Fiji in May 2017), disaster preparedness and building resilience in communities and countries affected by climate change continue to be among the most urgent tasks to be tackled in the region.

In preparation of the upcoming Post-Cotonou negotiations, former Commissioner Pascal Lamy who was appointed by Commissioner Mimica as High-Level Facilitator, met with Pacific heads of state and government in Nouméa in July to discuss preparations and positions on the EU and ACP side with a view to a Cotonou follow-up agreement as of 2020. Discussions continued in the margins of the 48th Pacific Islands Forum leaders meeting in Apia, Samoa. On the same occasion, the EU and Samoa co-chaired a prominent gender conference, exploring different challenges around opportunities, equity, and violence against women and girls in the Pacific.

During the year, the EU held Political Dialogue meetings with Marshall Islands, Federated States of Micronesia, Tonga, Tuvalu, Palau, Vanuatu and Nauru, during which issues such as human rights and democracy, rule of law, cooperation towards achieving the SDGs and increased cooperation in international fora were addressed. The EU also encouraged partners to ratify and implement UN Conventions on human rights and the Rome Statute on the International Criminal Court, where appropriate.

New Caledonia and French Polynesia, two French Overseas Countries and Territories (OCTs) with some 500 000 European citizens, for the first time participated as full members to the Pacific Island Forum in Samoa, bringing the EU and the Pacific Island States even closer.

3.3.4.2 Working Better Together, Development effectiveness, and donor coordination

Two events in 2017 highlighted the progress made in strategic relations between the EU and the Pacific Island Countries in fighting climate change. Firstly, the launch of the Pacific-EU Maritime Partnership programme (PEUMP) was a key event at the Our Ocean Conference which was hosted by the EU in October in Malta. Secondly, thanks to funding from the EU, Fiji led COP 23 in November in

Bonn which showcased on a global platform the work needed to tackle climate change and environmental issues which are priorities addressed during political dialogue, project design and donor coordination.

Work on the implementation of the Economic Partnership Agreements (EPA) with PNG and Fiji included providing assistance in key policy areas. Support was also extended to Samoa and the Solomon Islands in order to join the EPA.

Most EU Member States are not active in the Pacific and do not provide development cooperation to the Pacific countries. Only Germany (through GIZ - *Deutsche Gesellschaft für Internationale Zusammenarbeit*) has traditionally provided support to the Pacific region in the areas of climate change and oceans. France supports its overseas territories (New Caledonia, French Polynesia and Wallis and Futuna) and also established some cooperation with Vanuatu. More recently, Sweden has extended its regional programme for Asia to the Pacific. Member States are overall supportive for the EU to represent Europe through its development cooperation in the Pacific. While joint programming is not suitable for development cooperation in the Pacific, the EU and its Member States are still progressively joining forces, in particular in the area of climate change, disaster risk management and marine protection. Member States contribute and complement constructively, either through technical expertise (Germany/GIZ), funding (Sweden), policy sector reforms (France and UK in the OCTs), or diplomatic engagement.

Certain Pacific countries have established mechanisms to guarantee systematic consultations and coordination with donors. Tonga, Samoa, Vanuatu and more recently the Solomon Islands have put in place donor coordination mechanisms, both at technical and at more senior levels. At a regional level, there are efforts to establish this type of wide-ranging coordination mechanism. More effective coordination took place at the Pacific Islands Forum (PIF) Leaders Meeting in September in Apia/Samoa where bilateral meetings with donors took place. The EU supported the organisation of a meeting between all PIF Leaders and representatives of Civil Society Organisations. The Forum Partners meeting provided a platform for an open exchange between Pacific Leaders and development cooperation partners.

Finally, policy dialogue was complemented by Political Dialogues with Vanuatu in January 2017 and Tonga in April 2017. It was the fourth time the high-level political dialogue took place with Vanuatu and the first time with Tonga. Topics such as recent economic and political developments were discussed as well as issues concerning good governance, human rights and democracy.

3.3.4.3 PEOPLE – Human Development and dignity

3.3.4.3.1. *Implementation*

The prevalence of violence against women in the Pacific is among the highest in the world, with data indicating that up to 60 % of adult women have experienced physical violence during their lifetime, often at the hands of an intimate partner. 2017 was a milestone year for the EU's ambitions in reaching gender equality as the Financing Agreement for 'Tackling root causes of gender inequality and violence against women in the Pacific' was signed in September. The EU will contribute EUR 13 million to this programme and its implementation will start next year in the Pacific region in the

following countries: Fiji, Kiribati, Papua New Guinea, the Republic of Marshall Islands, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu. The impacts will be raising awareness amongst women, men, girls and boys and ensuring they practice respectful relationships and gender equality among each other while also increasing access to essential services for survivors of violence against women and girls (VAWG).

Primary school boys and girls will be targeted too through formal education and will be taught about gender equality and respectful relationships. Furthermore, young women and young men aged 15 to 25 will be targeted through informal education mostly based on a peer to peer approach. At a community level, primary prevention programmes will be provided through a range of community actors, including faith-based and sports organisations, and support for access to quality essential services (health, social services police and justice) for survivors of VAWG.

This programme will also help Civil Society Organisations (CSOs) to participate more effectively in policy dialogue on gender equality and VAWG. This will lead to stronger capacity among CSOs and policy makers in the region to mainstream gender across a wide range of sectors. The action will also seek to identify and support Pacific leaders to champion gender equality and ending violence against women and girls.

The European Commission approved actions in 2016 to support countries affected by severe weather events. As a response to *El Niño*, a food and nutrition security programme in Fiji started to be implemented in 2017 through International Organisations (IOs) and Non-Governmental Organisations (NGOs). The EU's contribution is of EUR five million. Local communities are trained on drought adaptation and food security (food preservation techniques, water management, pest control, irrigation schemes etc.). There is also a focus on subsistence farming as well as on income generating opportunities created by adapting agriculture methods, to cope and become more resilient to future *El Niño* events.

3.3.4.3.2. Thematic overview

In Asia and Pacific, 13 delegations had prepared Gender Analysis of cooperation sectors by the end of 2016. The use of Gender Analysis findings in the projects design and matching the EUD strategy and policy in the country with them requires attention. The review of Gender focal persons self-assessment pointed out that the gender competence in EUDs generally decreases when it comes to putting into practice the findings of the analysis in the programming, planning and the project design.

In the health sector, through GAVI, the EU supports vaccination in 13 countries in Asia and the Pacific region. UNFPA is active in Lao, Myanmar, Papua New Guinea, Nepal and Timor Leste.

In the culture sector, in 2017, the African, Caribbean and Pacific Creative Industries and Cultural sector programme ended. The Pacific Region benefitted for more than EUR one million and the programme reached directly thousands of young people and trained more than 1 000 people.

The 2017 IOM report 'Making mobility work for adaptation to environmental changes' shows how migration, displacement and planned relocation can affect adaptation to environmental and climate change. It presents findings from six countries, including Papua New Guinea. The report was one of the main results of the EU supported project 'Migration, environment and climate change: Evidence

for policy' (MECLEP). Moreover on-demand tailored technical assistance to five Pacific countries was provided under the ACP-EU Migration Action in 2017.

In education, the Erasmus+ programme supports academic mobility and support to higher education reforms. In 2017, Erasmus+ financed 21 short-term student and staff exchanges, from the region to Europe (19) and from Europe to the region (two).

3.3.4.3.3. Case studies: People

Balancing the Scales: Improving Fijian Women's Access to Justice



Image from Left: Selai Korovusere, Director Women's National Machinery; Aleta Miller UN Women Resident Representative; Makereta Waqvonovono Board Chair FWRM; Chief Justice Anthony Gates Chief Justice of Fiji, H.E Ambassador Julian Wilson EU Ambassador to Pacific; Nalini Singh Executive Director FWRM. (Image: FWRM)

Context:

Fiji Women's Rights Movement (FWRM) was instrumental in drafting and advocating for the Fiji Parliament to pass the Family Law Act in 2003. Six years later, FWRM was also involved in advocacy that led to the enactment of the Domestic Violence and Crimes Acts in 2009. More than a decade after the commencement of the Family Court in 2005, FWRM has undertaken a research project to understand the barriers that still prevent women from accessing the formal justice system and ways to improve the quality of services delivered to women. In Fiji rape accounts for 71 % of the sexual offense cases prosecuted, of these 59 % of victim survivors are children under the age of 18 and 23 % are living in a domestic relationship with the offender.

Objectives

- Fostering an enabling environment for improved women's access to justice.
- Enhanced understanding of women's rights in relation to justice among marginalised and minority groups of women.

Impact

- ✓ Under the recommendations presented in the ‘Balancing the Scales: Improving Fijian Women’s Access to Justice’ Research Report, the Office of the Director of Public Prosecutions was recommended to publish annual sex disaggregated data which the Office did for the first time in January, 2018⁹⁸.
- ✓ In the Transparency Overview of the report, it was noted that the ODPP collects and presents monthly sexual offence data. The Office of the Director of Public Prosecutions was further recommended to present sex disaggregated monthly sexual offence statistics, which now being done.
- ✓ The Office of the Director of Public Prosecutions has presented annual sexual offences data for 2017.

“The Office of the Director of Public Prosecutions (ODPP) is pleased to see the FWRM Research refer to case studies highlighting those matters where the ODPP have provided support to women victims and survivors to adequately prepare them for court hearings that are often stressful and difficult to understand. In discussing the research findings with FWRM we are happy to support the recommendation of presenting sex-disaggregated data on indictments on an annual basis and will be able to present this for 2017 data.”- Christopher Pryde, Director Public Prosecutions Fiji

Combatting People Trafficking in PNG.



Context

Papua New Guinea (PNG) is a source, transit, and destination country for men, women and children subjected to sex trafficking and forced labour. A baseline assessment showed that trafficking-related crime intersects with the broader dynamics of gender inequality in PNG and female children are twice as likely to be trafficked than male children.

The EU funded Project 'Technical Assistance to Strengthen Prosecution Efforts and Protection Measures to Combat Trafficking in Persons in PNG' seeks to support increased protection and justice

⁹⁸<http://fwrn.org.fj/news/media-releases/67-all-category/news/press-releases/496-fwrn-office-of-the-director-of-public-prosecutions-publishes-sex-disaggregated-data>

for victims of trafficking (VoTs) in PNG and through this to strengthen the protection of the rights of women and children in the country.

Objectives

The overall objective of this project is to contribute to an environment where VoTs, and vulnerable women and children in PNG are protected from further human rights abuses. Specifically:

- To enable law enforcement and key frontline officials to identify VoTs, conduct victim-centred investigations, and refer victims to comprehensive support service providers.
- To support the operation of Safe Houses.
- To demonstrate a sustained commitment from the Judiciary to apply the Criminal Code (amendment) Act 2013, PNG's anti-trafficking legislation.
- To provide the highest level of much needed health, psychological, maternal and counselling services.

Impact

- ✓ Several offenders have been investigated, arrested and charges laid for the crimes of trafficking.
- ✓ Ten victims of trafficking have undergone rehabilitation and re-integration process and back in the society.
- ✓ Two cases have been successfully prosecuted.

Testimony

Amidst the violence and exploitation, Papua New Guinean women are thriving thanks to one of their own, Major Ridia Newae. She is able to impart the message of empowerment to victimised women. This is key in her work as the manager of Salvation Army's safe house: Haus of Hope. Having worked at the Salvation Army for almost 31 years, Major Ridia recognises the importance of fostering the growth of women, particularly those who have endured gender-based violence (GBV) and until recently, human trafficking. With GBV being highly prevalent and human trafficking gradually being recognized in PNG, Major Ridia's managing of safe houses has played a tremendous role in rehabilitating countless women. Women who were once helpless have left Haus of Hope with life skills and the determination for a fresh start.

"I always tell my team that the transformation of our mindsets must not only happen here (Haus of Hope) – it must also happen on a societal level as well. When that happens, I will be a very happy woman," says Major Ridia Newae.

3.3.4.4 PLANET - Protecting the environment, managing natural resources and tackling climate change

3.3.4.4.1. Implementation

Ocean governance is a key objective of the Pacific-EU Maritime Partnership (PEUMP) programme which was signed by Commissioner Mimica at the Our Ocean Conference in Malta in October 2017. The EU's contribution of EUR 35 million means that ocean governance and sustainable management of natural resources in the Pacific region will be strengthened.

Through the Adapting to Climate Change and Sustainable Energy (ACSE) project the EU has contributed EUR 35.5 million and its successful implementation continued in 2017. This supports government institutional efforts and empowers communities to increase their self-reliance and their ability to cope with the effects of climate change, through appropriate practices in agriculture and coastal fishery, through dissemination of improved plant varieties, securing their daily water supply, and improving their access to sustainable energy throughout the Pacific region.

The EU energy sector development cooperation in the Pacific amounts to around EUR 70 million in grants from the 10th European Development Fund (EDF). This includes projects in 11 countries, four of them (EU grants of EUR 16.8 million) under the EU/New Zealand Energy Access Partnership in Tuvalu, Kiribati (Kiritimati), Cook Islands and Samoa. Energy losses are being reduced, distribution grids are being refurbished and energy sources are being diversified including photovoltaic structures (solar panels) and hydropower infrastructures.

Under the 11th EDF, six countries in the Pacific region have chosen energy as a focal sector for EU development cooperation (the Federated States of Micronesia, Nauru, Niue, Palau, the Republic of the Marshall Islands and Tonga), for a total envelope of more than EUR 38 million. The implementation of energy programmes in the Republic of the Marshall Islands, Nauru and Niue (EU contribution for the three programmes of EUR 11.8 million) started in 2017 after the Commission Decisions were adopted at the end of 2016. In the Republic of the Marshall Islands, financial, policy, and legislative frameworks for the energy sector will be strengthened. Universal access to modern and sustainable energy services will be achieved while energy efficiency will be improved, and the share of renewable energy will be increased.

In Nauru, the reliability and efficiency of the electricity network will be increased as well as renewable energy generation. In Niue, the efficiency of the distribution network will be increased and the capacity for implementation and maintenance of transmission and distribution will be improved. In Tonga, implementation of the Energy Sector Reform Contract (EU contribution of EUR 10 million) was ongoing in 2017. The programme ensures an environmentally sustainable and low carbon-development path and will achieve an increase in quality access to modern energy services in a financially and environmentally sustainable manner.

The issue of climate change was brought to the forefront due to Fiji chairing COP 23 in Bonn in November, which was seen as crucial to moving the climate change agenda to concrete implementation following the entry into force of the Paris Agreement. Fiji's presidency of COP 23 represented a first for a small island state and a large part of its efforts were to raise awareness on the international stage about the realities of small island countries and their vulnerability to climate change. The EU closely accompanied Fiji in this process, through financial support to the Presidency, and political and technical dialogue in the context of climate change.

In terms of a climate change strategy, progress is being made with Australia with the Australian government announcing at COP 21 in 2015 the creation of the International Partnership for Blue Carbon and welcoming the EU's participation in 2017. This Partnership seeks to protect and conserve coastal blue carbon ecosystems, mangroves, tidal marshes and seagrasses through climate change mitigation and adaptation.

3.3.4.4.2. *Thematic overview*

The region must cope with risks associated to natural disasters. In Fiji, the project Action Against Desertification helps the Government develop an integrated and cross-sectoral strategy for restoring degraded land as well as improve livelihood opportunities and resilience to climate change. The Project has directly reached 18 447 community members including 47 % women. Furthermore, five demonstration farms were organised, with pilot plantations and local development plans put in place with EU support.

In the Pacific, the EU supports the 'Framework for Resilient Development in the Pacific' (FRDP): an integrated approach to Climate Change and Disaster'. The FRDP advocates for the adoption of integrated approaches, whenever possible, for addressing climate change and disaster risks, in order to make more efficient use of resources, to rationalise multiple sources of funding, and for more effective mainstreaming of risks into development planning and budgets. A new Pacific Resilience Partnership (PRP) will coordinate cooperation as well as implement and monitor the FRDP.

In 2017 the EU supported Fiji in its leadership as chair of the UNFCCC COP 23 in Bonn where the Pacific and EU demonstrated once again strong common views and objectives for the implementation of the Paris Agreement and the Sendai Framework for Disaster Risk Reduction. Substantial EU financial support has been provided to support the Pacific countries in facing four of their main challenges: to adapt to climate change (CCA); strengthen their disaster risk management (DRM) capacities; promote the sustainable development of oceanic and costal natural resources; and reduce reliance on fossil fuels, promoting energy efficiency and renewable energies.

This support is implemented through several bilateral, regional and thematic programmes, either in sectors which are highly climate change sensitive such as energy, water, sanitation and rural development, or which seek to promote more strategic and innovative approaches to climate change (mostly adaptation but also mitigation), disaster risk management and sustainable development of natural resources. For instance, the ACP-EU Building Safety and Resilience in the Pacific programme (EUR 20 million 2013-2017) has supported actions targeting community-based Disaster Risk Reduction (DRR), early warnings systems, evacuation centres and safe water supply, better integration of DRR in regional national and sector strategies. It has also developed science-based information for better awareness and understanding of natural hazards, education and mainstreaming disaster risk reduction, as well as climate change adaptation in support of priorities identified in the integrated strategies at local, national and regional level.

Turning the Pacific tide in the war against waste

Context



Poor management of hazardous wastes, prioritised as healthcare, asbestos and e-waste, creates considerable human health risks and environmental hazards in the Republic of the Marshall Islands, which consists of 29 atolls and five islands in the South Pacific.

As part of the EU-funded project Pacific Hazardous Waste Management (PacWaste), a pilot programme has demonstrated significant positive impacts of improved waste collection and disposal practices. This integrated waste system that includes ground-breaking legislation to manage plastics, recycling to optimise resources and cost-effective systems for treatment and final disposal of wastes, is moving the country towards a true circular economy.

Objectives

- To support the region's efforts to build a healthy, economically and environmentally sustainable Pacific for future generations.
- To introduce best available practices in priority hazardous waste management.
- To enhance capacity and adoption of appropriate policies and regulatory frameworks for improved management of hazardous waste streams.

Impact

- ✓ Weekly waste collection is now conducted across 3 000 residential properties (75 % of homes).
- ✓ Disposal systems have been introduced to manage the production of infectious and hazardous health waste generated by two major hospitals and 56 dispensaries.
- ✓ A specifically designed cost-effective, garbage bag, the lokwe Bag, was developed to replace the current unsustainable system. Following free distribution, the purchase cost now contributes to supporting an expanded household waste collection service across the entire Majuro atoll: an area that had previously not received any services.
- ✓ A Used Lead Acid Battery (ULAB) buy-back scheme enables community members to return and receive payment for old batteries.
- ✓ The 'Clean Schools' programme fosters student participation in clean-ups and engages them in development of Action Plans to improve campus waste management.

- ✓ Landmark Legislation of Bill 28 prohibits the import, manufacture, sale and distribution of styrofoam cups and plates, disposable plastic cups and plates, and plastic shopping bags.

“Majuro (Republic of the Marshall Islands) has the highest per capita waste generation in the Pacific region. Tackling the issue on all sides, from legislation to school programmes, waste collection and recycling schemes, has been an invaluable response to our country’s call for sustainable help.” Ms Moriana Phillip, Director Environment Protection Authority, Marshall Islands.

The lokwe Bag

Warwick Harris has lived in the Republic of the Marshall Islands for 10 years. In that time he has seen pristine beaches and forests damaged and buried in waste. “The lokwe Bag has ‘*Erreo eo, ñan emman eo*’ (a cleaner environment is better/healthier) written across it, and this is what it does – it creates a safe and easy way to get rid of our garbage without harming our beautiful island. The bag is just part of our new collection service which is regular and cleaner. And I can now also recycle things which used to end up in landfill or on the beach. I can receive a refund for used batteries which I reinvest into my family’s needs. It’s a new way of living and it makes a difference.”



3.3.4.5 PROSPERITY - Inclusive and sustainable growth and jobs

3.3.4.5.1. Implementation

In Fiji, the EU is supporting the Sugarcane Industry (EU contribution over EUR 30 million). Several specific projects fall under this programme. Income generation is promoted through sugar cane farming or alternatives such as vocational training which means that Fijian farmers who live in sugarcane dependent populations have an improved livelihood. Watershed management is being improved through reforestation and the rehabilitation of cane access roads as well as associated infrastructure. Moreover, local and community-based development is strengthened as well as

Fairtrade organisations. Management and operational capacities of the Sugar Research Institute of Fiji are being strengthened and farmers are benefitting from improved research.

In 2017, work on sector budget support programmes advanced for the four Pacific Overseas Countries and Territories as decisions were adopted for New Caledonia (employment-EUR 29.8 million), Wallis and Futuna (information technology-EUR 19.6 million), Pitcairn (tourism-EUR 2.4 million) and French Polynesia (sustainable tourism-EUR 29.9 million). In New Caledonia, a homogenised public service will be deployed to help the public in the outermost regions of the islands gain access to employment opportunities. Employment diversification will also take place and improve the local economy. In Wallis and Futuna, digital development will be improved for homes, administrations and companies. Civil society will also receive IT training courses. Wallis and Futuna will therefore become well integrated in the region through IT connections.

In Pitcairn, tourist arrivals will increase, and more tourists will be encouraged to stay on the island, thereby increasing tourism revenue and stimulating Pitcairn's local economy. Pitcairn's history, culture and heritage will be promoted and protected, thereby establishing sound foundations for sustainable island heritage tourism. Finally, Pitcairn's telecommunications and medical centre will be improved, to reduce isolation and improve health provision and resilience as visitor numbers increase. Similar benefits in French Polynesia will be felt as tourism revenue increases with the rising number of tourists which will have a positive social impact for workers in the tourism industry.

3.3.4.5.2. Thematic overview

In the Pacific, the EU has been working closely with partner governments and organisations to improve resilience and livelihoods, with a particular focus on coastal and oceanic areas. At October Ocean Conference in Malta, the EU launched the Pacific-European Union Marine Partnership (PEUMP). This joint EU, Sweden and the Pacific Islands Forum Secretariat's ambitious programme brings together three regional agencies (South Pacific Community, Fisheries Forum Agency, and Secretariat of the Pacific Regional Environment Programme), the University of the South Pacific (USP) and several non-government organisations. It supports the sustainable management and development of fisheries for food security and economic growth, while addressing climate change resilience and conservation of marine biodiversity.

Delivering Vocational Training to the Fiji Sugar Industry



Ms. Shahin Khan – Lead Farmer (courtesy of Lauren Chan)

Context

The sugarcane industry is one of the most important sectors of Fiji's economy. In 2014, the Australia's Department of Foreign Affairs and Trade (DFAT) signed a historic delegation agreement with the EU to provide 'Training Support to the Fijian Sugarcane Industry'. The EUR four million project was financed under the EU's Accompanying Measures for Sugar Protocol Programme.

The Australia-Pacific Technical College (APTC) was subsequently engaged by DFAT to deliver vocational education and training and ensure that training delivered addressed skills gaps in the Fiji sugar industry. The project was partly re-oriented after the Tropical Cyclone Winston in February 2016 which severely affected Fiji's sugar sector.

Objectives

The project is focused on:

- Enhancing human resources capacity.
- Complementing the efforts of all the stakeholders to strengthen the competitiveness of the sugarcane sector.

Impact

- ✓ The project helped improve the capacity of the Fiji Sugar Corporation (FSC) and support agencies. FSC employs over 800 people and over 100 support agencies employees were also trained in the areas of business, communication, safety and trades in nine fully accredited qualifications, eight accredited skill sets and five non-accredited short-courses.
- ✓ Training of sugarcane farmers targeting Leader Farmers who pass on technical information to assist sugarcane farmers with improved farming techniques and Farm Advisory Officers. The training has assisted them to develop their leadership skills and to work with other sugarcane farmers to better manage their farm businesses.
- ✓ In the aftermath of the TC Winston, the project introduced a Certificate II in Construction course and 33 students from the sugarcane belt including displaced mill workers were able to acquire new skills by constructing forty homes for cyclone affected families.

✓ At the end of the project there were over 1 600 farmers, mill workers, administrative staff and industry managers trained and over 210 females completed their Australian standard qualifications and skill sets as well as non-accredited workshops in areas such as welding, metal, fabrication, electro technology, project management, communication, business management, leadership etc.

"I had the chance to learn more about farming as a business and to meet with other experienced sugarcane farmers who gave me greater insight into sugarcane farming, which is valuable for me as a female farmer." Ms. Shahin Khan: Leader Farmer in the Cuvu sector in Sigatoka where she takes on the role of supporting and mentoring other farmers.

3.3.4.6 PEACE – Peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law and human rights for all

3.3.4.6.1. *Implementation*

The Access to Justice Programme in Fiji started to be implemented last year an EU contribution of EUR 7.5 million. It focuses on improving access to justice, particularly for poor and vulnerable citizens in Fiji. It will also increase the efficiency and quality of justice provided by the Legal Aid Commission, courts and other institutions and will increase the capacity of the Legal Aid Commission, courts and other institutions. Impoverished and vulnerable groups will benefit as non-governmental organisations' capacity will be strengthened to enable these groups to access justice services.

The EU Delegation in Fiji witnessed in 2017 progress in Public Finance Management in countries with Budget Support (Tonga, Wallis and Futuna, Samoa, Tuvalu, Timor-Leste, French Polynesia, New Caledonia, Fiji, Vanuatu, Cook Islands, RMI and Pitcairn).

Implementation continued in 2017 for the Programme entitled 'Strengthening Non-State Actors Engagement in Regional Policy Development and Implementation'. The EU contributed EUR four million under the 10th European Development Fund to promote good governance in the Pacific region and ensure that non-state actor perspectives are reflected in effective regional policy development processes and dialogues.

Implementation also continued in 2017 for the Raising Pacific Voices programme. The EU's contribution is EUR 2.3 million. The programme is strengthening the capacity of Civil Society Organisations to influence the development and maintenance of inclusive and accountable government across the Pacific region. This three-year pilot (December 2016 to December 2019) programme will work closely with the Pacific Regional NGO (PRNGO) network and its partners across ten Pacific Island countries in three sub regions (Melanesia, Polynesia and Micronesia).

3.3.4.6.3. *Thematic overview*

The human rights situation in the Pacific is slowly improving in the Pacific countries, although not all countries are progressing as well as others. Two of the four countries (Solomon Islands and Timor) have improved their rating in the Freedom House ranking and are now considered 'free'. Fiji and

Papua are considered 'Partly free', however, it is noted that there is greater state tolerance for civic freedoms. Political rights are generally respected in the region, though corruption remains a serious issue, which is not tackled by the government. Violence against women remains an important problem.

In 2017, the EIDHR supported human rights and democracy action in Pacific primarily through civil society projects selected under global and local calls for proposals. In 2017, four projects amounting to some EUR 1.2 million were supported through EIDHR Country Based Support Schemes. These addressed principally gender-based violence.

3.3.4.6.4. *Case studies: Peace*

Developing a Culture of Human Rights in Fiji



Mesake Raiviu (far left) of Bamba settlement, Levuka receives information on the Legal Aid Commission (Photo: UNDP)

Context

The new Constitution of the Republic of Fiji came into force on 7 September 2013. Accompanying the country's return to full democratic rule, the Constitution lays out the basic law of the state, to which all other subsidiary laws and administration acts must conform; empowers and enables state institutions and limits actions under the Constitution; and describes the space and relationship, the social contract, between the state and the people of Fiji. Most importantly, the Constitution includes an extensive Bill of Rights as Chapter two, which includes significant and expanded, clearly-stated rights and guarantees for citizens, as well as obligations to uphold them for the State.

Objectives

- To strengthen delivery of access to justice services to impoverished and vulnerable groups.
- To strengthen capacity of non-governmental organisations and community advocates to deliver accompaniment access to justice services for impoverished and vulnerable groups.

Impact

- ✓ The project supported community discussions between the Human Rights and Anti-Discrimination Commission and youth and CSOs during 2017, with 290 beneficiaries including: 166 women, 101 males, 20 LGBTQI (Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Intersex), three who did not indicate their sexual identity, and 12 persons with disabilities.
- ✓ 83 % of the beneficiaries fully agreed their awareness and knowledge on access to justice, the Fiji Bill of Rights, human rights and anti-discrimination issues increased.
- ✓ The project trained 49 beneficiaries as Community Advocates for Human Rights and Access to justice (24 women, 18 men, seven LGBTQI, and six persons with disability).
- ✓ Beneficiaries received training on human rights, law and justice services, and community engagement methods, with 80 % of beneficiaries fully agreeing their knowledge and capacity to engage with communities as Community Rights Advocates increased.
- ✓ The Project worked with the Human Rights and Anti-Discrimination Commission to convene a series of outreach sessions across Fiji as part of Human Rights Day from 2 to 9 December 2017 led by Community Advocates for Human Rights trained previously and attended by 527 citizens.

“Immediately after the [training], I convened a village meeting, where I shared my new knowledge with my other villagers. Going forward, I am now able to more actively pursue the adoption of my daughter.” Mesake Raiviu, trained Community Human Rights Advocate from Bamba Settlement, Fiji.

Testimony



Community Advocate, Bonita Clemancew at the Human Rights Day 2017 celebrations in Lautoka, Western Division, Fiji (Photo: UNDP)

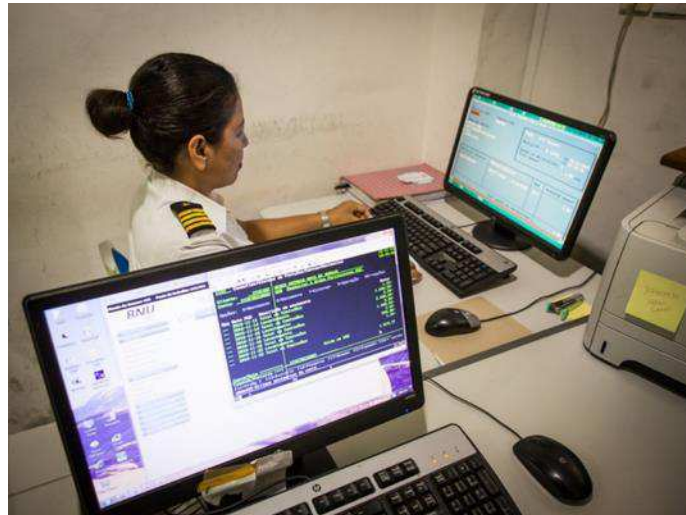
Bonita Clemancew was trained as a Community Human Rights Advocate. As a member of the Fijian LGBTQI community, which has traditionally suffered marginalisation and discrimination, Bonita has been empowered not just in standing up and securing her own basic rights, but likewise empowering her entire community to stand up for their rights.

“The value of the recent Community Advocates Workshop became even more apparent this week as I put the knowledge and skills gained at the workshop into practice. I am also delighted to work in collaboration with the Human Rights and Anti-Discrimination Commission as it allows the community to access justice, which is a basic need and a fundamental principle of human rights and has proved a

huge asset in delivering the key messages of human rights to remote community members and particularly the youth,' she says.

The Fiji Access to Justice Project supports access to justice for impoverished and vulnerable groups through empowering people to access legal rights and services through the relevant key justice institutions, in conjunction with strengthening the key justice institutions to undertake improved service delivery.

Strengthening Public Finance Management for better public services in Timor-Leste



Context

Despite belonging to the lower middle-income category of countries, Timor-Leste has a high percentage of chronically malnourished children under the age of five (50.2%) a high poverty rate with 46.8% of the population living below the national income poverty line in 2014, a primary school dropout rate of only 18.8% and a Human Development Index (HDI) of 0.605 that places Timor-Leste in 133rd position in terms of HDI country ranking.

In addition to this, the fragility assessment that was conducted under the framework of the New Deal to engage with Fragile States, underlines that while some good progress was made on security and with respect to inclusive politics, justice and economic foundations remain the two critical areas that require closer attention in the future.

Objectives

The overall objective is to improve sustainable development in Timor-Leste through enhanced effectiveness, integrity, transparency, accountability and citizen-orientation of public service delivery in Timor-Leste, in line with the national Strategic Development Plan 2011-2030 (SDP).

Specific objectives include:

- To strengthen the planning, management, auditing, monitoring, accountability and oversight of the use of public finances for a better delivery of public services.

- Strengthening the effectiveness, integrity, transparency, accountability, citizen-orientation and control of public finance management (PFM) to improve the implementation of fiscal and development policies.
- Enhancing the checks and balances' capacity of state and non-state actors so that they can fully play their role of checking/monitoring policies and thus actively participating in the policy-making process as well as providing regular oversight and control of the delivery of Government services, while informing citizens about it.

Impact

The budget support component of the project aims has strengthened public finance management systems and processes with:

- ✓ Improved budget planning and execution has been implemented throughout Government.
- ✓ Improved taxpayer and customs clearance services have resulted in an improved collection of custom and domestic revenues.
- ✓ Internal and external audit have been strengthened.
- ✓ Accounting, revenue reconciliation and debt management have been strengthened.
- ✓ Implementation of fiscal decentralisation has been supported.
- ✓ Budget transparency has improved.
- ✓ Budget gender sensitivity has improved.

The second component of the project enhanced the capacity of state and non-state actors to participate fully in decision-making and oversight of the use of public finances including:

- ✓ An enhanced parliamentary role in national budget processes in terms of analysis, decision, oversight and audit of budget execution.
- ✓ Strengthened institutional capacity of the Chamber of Accounts at the Court of Appeal.
- ✓ Strengthened prevention, investigation and forensic capacities in terms of economic and financial crimes, corruption and money laundering.
- ✓ Enabled and strengthened institutional capacity of the Public Prosecutor's Office for the technical analysis and follow up of the financial responsibilities appointed at the reports of the Chamber of Accounts and of the criminal investigation reports.
- ✓ Increased capacity of non-state actors' and citizens' in the policy process and oversight of public institutions and public service delivery.

"Under this new government, we are committed to strengthening the management of the public finances to ensure sustainable finances now and in the future, as well as to ensure that we get maximum value for money in supporting key priorities of the government. Alongside, it is also essential that the reform programmes of the government in this area are informed by good-quality and up-to-date evidence. As part of our broader agenda of PFM reform, we intend to carry out a new PEFA assessment to benchmark our performance, progress since the last assessments (2013 and 2010) and lay the foundations for a prioritised reform agenda that addresses critical issues to improve public service delivery and fiscal management. It is expected that the PEFA assessment will also support the timely progression of key steps outlined as part of the budget support agreement between the EU and the Government of Timor-Leste." Dr. Rui Augusto Gomes, Minister for Planning and Finance

3.3.4.7 PARTNERSHIPS – The EU as a force for the implementation of the 2030 Agenda

3.3.4.7.1. *Implementation*

The EU continued to work with Pacific regional organisations such as the Pacific Community (SPC), the Pacific Islands Forum Secretariat (PIFS), and the Secretariat of the Pacific Regional Environment Programme (SPREP) and 2017 was a good year considering that 62 % of the regional funds were committed in 2017 as a number of programmes were adopted for a total of EUR 103 million.

In 2017, all key regional partner organisations passed the pillar assessment which enables them to use their own procedures in the implementation of the European Development Fund. These assessments and the accompanying Technical Assistance have contributed to improving the economic governance structures of these organisations. The technical reforms coincided with business process reviews and structural reforms that the EU's key partners (SPC, PIFS, SPREP) have undergone.

Project managers ensured regular country visits combining dialogues with implementing partners, competent national authorities, other donors and national stakeholders. Moreover, project managers hold regular meetings with UN agencies, International Financing Institutions, Council of Regional Organisations in the Pacific (CROP) agencies and international/regional NGOs to improve coordination and foster synergies.

The programme of Technical Cooperation and Capacity Building with a total EU contribution of EUR seven million was adopted in July and signed in September 2017. It will improve the capacity of regional organisations, civil society organisations, and national authorities to manage and implement EU programmes more efficiently and effectively.

3.3.4.7.2. *Thematic Overview*

In 2017, Solomon Islands and Timor Leste in the Pacific benefited from CSO country allocation for a total of EUR two million (EUR 0.75 million and EUR 1.25 million respectively).

These allocations are to be managed by the EU Delegation in each country through local calls for proposals.

3.3.4.7.3. *Case studies: Partnerships*

Rebuilding Hope: A Story of Climate Change Displacement

This case study was written by Lauren Chan, one of the EU-funded Faces2Hearts⁹⁹ bloggers to Asia Pacific, and Jenny Brown, Programme manager EUD to the Pacific)

"Imagine if your life changed in an instance: your home, your belongings, even a neighbouring family, disappeared within minutes. This is what happened to a community living on the main island of Fiji, Viti Levu, when a tropical cyclone dumped its watery rage on the village causing a huge mudslide

⁹⁹ <https://www.faces2hearts.eu/>

destroying almost everything in its way and killing a family of four and forcing ten other families to seek shelter within a nearby cave, too petrified to come out. This is a story about Tukuraki Village, of courage and hope, of resilience and belief. It is a story about rebuilding from ground zero and having the bravery to walk away from the past and begin a new and more resilient future.

The Building Safety Resilience in the Pacific (BSRP) Project, funded by the European Union and implemented by the Pacific Community (SPC), helped to relocate this entire village and reconstruct new homes and other community buildings in a location deemed much safer for the families. This project required a close partnership between the Government of Fiji, the provincial authorities, a range of villages in the region (the landowners), the people of Tukuraki, the Pacific Community and the EU.

The relocation has enabled the entire village and all people to benefit. A new home changed the life of an elderly couple. Their new home now had access to a kitchen and bathroom inside the home. As the elderly man delightedly said, "New house with new washroom – everything is here!"

Another grateful villager was an older lady living alone. Her new home, like the others, now included a bathroom and a sink that were in the back of the home, with a small section for a kitchen in the main space.

This elderly lady was paralysed from her hips down due to health problems. She explained that because everything is now accessible within her new home, she can live on her own and support her everyday activities. Although she is often reliant on other people of the village she is happy that she doesn't need to depend on her neighbours all of the time, giving her a new life. Her new home has given her self-confidence that she didn't have in the old village.

The community of Tukuraki continues to have memories of the mudslide which haunt them, but they are no longer living in fear, thanks to the Government of Fiji and the European Union supporting them in their hour of need."





3.4. Enlargement

3.4.1 Introduction

The Instrument for Pre-accession Assistance (IPA II) aims at helping beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required in order to comply with the Union's values and to progressively align to the Union's rules, standards, policies and practices, with a view to Union membership. Current beneficiaries are: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo*¹⁰⁰, Montenegro, Serbia, and Turkey. In the period 2014-2020 the envelope for supporting preparation for accession as well as regional and cross-border cooperation reaches about EUR 12.8 billion.

In 2017, eight annual action programmes, including a multi-country programme, were adopted for a total value of about EUR 695 million. The Commission's financial assistance remained focused on the fundamental reforms, including a strong emphasis on the rule of law, fundamental rights and civil society, economic governance and socio-economic development, as well as improved good neighbourly relations in the Western Balkans region with a view to overcoming the legacy of the past.

The Commission also continued to implement a significant migration assistance package. An additional EUR 30 million was allocated in 2017 to support in particular Serbia and the former Yugoslav Republic of Macedonia in managing migration flows. At the same time, existing programmes have been re-calibrated in order to respond to changing needs on the ground.

In 2017, the implementation of the sector approach has continued. Since the beginning of IPA II in 2014, the sector approach has produced a strong improvement in the programming process, especially in terms of linking policy dialogue (among the institutions involved and between EU and beneficiaries) and financial assistance. Its outcomes are visible in terms of institutional improvements in various beneficiaries. A total of EUR 336 million has been committed in the period 2014-2017 under sector reform performance contracts with four enlargement beneficiaries, Albania, Kosovo, Montenegro and Serbia, with a focus on public administration reform and public finance management. Education, employment and border management also benefited from this approach. Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia continued working with IPA II based on an annual list of selected projects.

The effort and focus on performance and results-based management under IPA II has continued in 2017, in particular through training for IPA beneficiaries on performance frameworks, linking programming to monitoring and evaluation.

3.4.2. Working Better Together, Donor effectiveness, and donor coordination

In **Albania**, the EU Delegation and development partners including EU Member States are committed to making full use of their respective comparative advantages at sector level by working together to

¹⁰⁰ *This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

harmonise approaches, strategies and procedures. The Delegation has periodically organised consultations and information meetings with EU Member States, major development partners, Civil Society Organisations (CSOs) and private sector regarding the preparation of the 2017 and 2018 action programmes. The Delegation has supported and actively participated in the consultation processes of the government national sector strategies under the framework of the National Strategy for Development and Integration (NSDI) 2015-2020 (e.g. transport, law enforcement, regional development, decentralisation). Since 2015, a lead donor arrangement is implemented amongst the EU Delegation and development partners to improve coordination among donors and achieve complementarity and a more effective division of labour. The Lead Donor in a sector is committed to supporting the Government of Albania in facilitating sector policy dialogue and aid coordination among all stakeholders in the framework of the NSDI 2015-2020 and relevant sector strategies, as well as the EU pre-accession agenda for Albania. The EU Delegation is currently the Lead Donor in the sectors of good governance and public administration reform (PAR), public finance, justice and home affairs; and employability, employment and skills. Following the elections in June 2017, the Ministry of Finance and Economy is now responsible for overall donor coordination.

In Bosnia and Herzegovina, the EU pursued its efforts towards the country government to develop, adopt and implement PAR and public finance management (PFM) strategy at country level as well as the more efficient and streamlined donor coordination. The first challenge has been to develop and agree upon countrywide strategies (which includes performance assessment frameworks). The government, with the support of the EU Delegation and development partners progressively provides a more active role, through the mechanism of Donor Coordination Forum. The Ministry of Finance and Treasury performs a role of technical secretariat and donors' assistance data collector for an annual donor mapping report. In parallel, the Directorate for European Integration, performs a donor coordinator's role in the IPA programming exercises. In specific sectors, such as agriculture and rural development, the state level sector ministry (Ministry for Foreign Trade and Economic Relations) led the donor coordination for the preparation of a strategy for agriculture and rural development, whose adoption by the Council of Ministers in 2017 will enable access to future IPA funding. For social, education and science the Ministry of Civil Affairs is the coordinator at state level.

In the former Yugoslav Republic of Macedonia, the EU Delegation and the National IPA Coordinator invested efforts to enhance the sector approach in the management of IPA funds. Nine sector working groups have been established to foster policy dialogue in the sectors. These are chaired by a line Minister(s) and involve all relevant national authorities, key civil society organisations and respective donors into a dialogue on sector priorities and targets, sector success indicators and sector coordination. They are also the main sector mechanism for monitoring and assessing the sector reforms. The sector approach is a major change of the institutional culture of the country, yet the first results are very promising, notably as regards the improvement of the quality of an inclusive policy dialogue. Sector groups also improved the interaction between the decision-makers of the country and the donors. This allowed the EU to better shape its assistance focusing on priorities, which are recognised as key, and mobilise more additional external resources and national funds.

In Kosovo, the coordination and complementarity between donors, in particular EU Member States, on programming, implementation, monitoring and evaluations has constantly improved. The requirement of adequate sectoral strategies (and sector planning documents in those areas where strategies are missing) in order to benefit from IPA assistance is enforced systematically with EU's

beneficiaries. This has been the case for the preparation of the three laws package in the area of PAR where a sector reform performance contract has been adopted. A similar approach has also been employed in the rule of law and education sectors, with the resulting Functional Review of the Ministry of Education, Science and Technology. The existence of strategies ensures the alignment of all donors on the priorities identified by the Government of Kosovo.

In **Montenegro**, the PAR sector reform performance contract financed under the 2017 Action Programme, aims to support the implementation of the country's PAR Strategy 2016-2020 with a focus on optimizing the number of civil servants, enhancing human resources management, improving the quality of public service delivery through simplification of procedures and increasing the transparency of public services. The initiative, which has a budget of EUR 15 million, required close cooperation of all actors active in this area. In view of that, a close dialogue among bilateral and international donors was established. This cooperation led in turn to the development of a detailed donor matrix which helped avoid duplications, enabled a division of labour among donors and ensured synergies among different actions foreseen by all parties. This resulted in bringing about a wider coverage of the sector and multiplying the effectiveness of the various actions.

In **Serbia**, reforms are geared towards EU accession as well as to the goals of the Agenda 2030 and priorities are programmed accordingly. All major development partners are programming along the same strategic framework. Further, the programming of IPA II is undertaken based on the sector reform strategies of Serbia, and in full consultation and coordination with development partners ensuring full coherence and complementarity of the support. The government plays an active role in donor coordination. Ten sector working groups have been set up to coordinate donors in Serbia. The EU Delegation is the lead donor for justice, home affairs, public administration reform, transport, education, agriculture and rural development, as well as the sector relevant to civil society. Other development partners are leading in the areas of environment and climate change, energy, competitiveness and human resource development sector, with the participation of the EU.

In **Turkey**, the EU Delegation regularly organised consultations and information meetings with EU Member States, International Financial Institutions (IFIs), development partners, CSOs and private sector regarding programming and implementation of EU assistance. IFIs are very active with loan programmes, particularly in sectors such as energy, private sector development, transport and environment. The Council of Europe, OECD SIGMA, several UN agencies and other specialised International Organisations are also active in Turkey, working on judicial reform, migration management, employment and social policies. However, there is no regular donor coordination led by the Turkish authorities; such regular meetings would be beneficial for the exchange of information, experience, avoiding double funding and support for the sector approach. The Ministry for EU Affairs is in charge of coordination for IPA. In parallel, for investment-related loans, the Turkish Treasury has played a key role.

IPA II also finances assistance to Syrian refugees and host communities in the framework of the **EU Facility for Refugees in Turkey**. Coordination of the actions takes place in the Steering Committee of the EU Facility for Refugees in Turkey with the participation of EU Member States, Turkey, Commission services and the EEAS. The European Parliament is also an observer in the meetings of the Steering Committee. At country level, the EU Delegation in Ankara is in permanent contact with the Turkish authorities (Prime Minister's Office, Disaster and Emergency Management Authority, Ministry of Foreign Affairs, and Directorate General for Migration Management among others).

At regional level, the Western Balkans Investment Framework (WBIF) supports socio-economic development and EU accession across the Western Balkans region, through the provision of technical assistance and financing grants for strategic projects in the fields of environment, energy, transport, social infrastructure and private sector development. The WBIF seeks to maximise the impact of its grant financing by joining forces with financial institutions providing loans to the projects it supports. The WBIF receives allocations from the European Commission's Instrument for Pre-Accession (IPA I and IPA II), bilateral donor contribution as well as IFI grants and loans. The WBIF is a good example of donor coordination and blending platform that ensures an optimal division of labour. This has also been underlined by the mid-term evaluation of IPA II, which has emphasised the donor coordination and leverage elements of the support through the WBIF.

3.4.3. Examples of support to the implementation of the fundamentals of Enlargement Policy

Albania

Empowering Roma and Egyptians

The IPA 2014 project "Economic and Social Empowerment for Roma and Egyptians - a booster for social inclusion (ESERE)" promotes the economic and social empowerment of two communities featuring among the poorest, most marginalised and socially excluded groups in Albania, focusing on the capital, Tirana, as well as the municipalities of Durres, Berat and Shkoder. The United Nations Development Programme (UNDP) implements it. Its holistic approach combines a community-led approach with support to the government national, regional and local levels, as well as support to employability and entrepreneurship and improving access to basic services. It is particularly effective at making a difference for both communities.

Its results include, under the employment and entrepreneurship support pillar, the fact that 361 Roma and Egyptians have been employed, and 34 families benefit from the Income Generation Programme. As part of the second pillar on community-led development for Roma and Egyptian inclusion, community members identified seven projects to upgrade the infrastructure.

The projects improve the neighbourhoods and living conditions of approximately 6000 Roma and Egyptian individuals; 20 Roma and Egyptian NGOs have been supported with small grants, and four Local Community Development Plans for Roma and Egyptian Inclusion have been drafted, three of which are already adopted (in Durres, Berat and Shkoder). Under the pillar on improved access to basic services, two models for inclusive education and desegregation developed, improving the education outcome of 2300 Roma and Egyptian students. 786 Roma and Egyptians already enjoy improved access to basic services, including civil registration, education, health and social care. 80 Roma and Egyptian adults are following primary education, with seven having completed the 9th grade. The project's fourth pillar supports the Government of Albania in its efforts to achieve the objectives set forth in the National Action Plan for the Integration of Roma and Egyptians (2016-2020) at national, regional and local levels; under that pillar 190 public officials have been trained and coached on the National Action Plan.

The implementation of the project started in January 2016 and will complete in December 2018.

Bosnia and Herzegovina

Development and Employment in Bosnia and Herzegovina

The EUR 19 million EU Programme for Local Development and Employment assists economic recovery of flood-affected areas, supports local economic development and local NGOs with social development recovery assistance and provide structural employment enhancement measures through integrated local development.

As a result of this programme the standard of living and local development will improve by increasing employability of around 2 000 people and creating at least 620 new jobs in 22 municipalities.

Ultimately, the project aims to improve the standards of living for more than 100 000 people in Bosnia and Herzegovina.

The former Yugoslav Republic of Macedonia

'Decade of Belonging – Celebrating Diversity'

In a context where communities are divided across ethnic lines and lack opportunities to develop genuine interaction and regain trust among each other, the project aimed at building and sustain multi-faceted and creative alliances among citizens, CSOs, public and private sector with aim of achieving inclusive multi-ethnic societies.

The project successfully focused on the improvement of inter-community relations in the southwest region, by enhancing the cooperation between CSOs, inter-ethnic councils, decision makers and the private sector, creating trust among communities.

Kosovo

Implementing the Government Strategy for Cooperation with Civil Society'

The EU funded project 'Support to the implementation of the Government Strategy for Cooperation with Civil Society 2013-2017' has significantly contributed to advancing the level of governance, introducing systematic consultations in decision making and enhancing transparency on the use of public funds, with a new regulation setting criteria and procedures for public funding of NGOs. Thanks to the EU project, the Government has published for the first time a comprehensive report gathering information regarding funding institutions, beneficiary organisations and amounts disbursed over the years 2015 and 2016.

Montenegro

Protection against gender-based violence

This project works to reinforce the capacities of civil society organisations to function as an active watchdog in the fight against domestic violence at all levels. This approach is seen as a key way to address this problem at its root, while also encouraging wider change and debate on these issues. Financed through EIDHR funds this project of EUR 135 000 has a number of activities including, outreach to decision makers with various objectives. This equally includes efforts to influence policy making, increase transparency, while encouraging the authorities to participate in the development of new practices. Additionally, this assistance supports wider outreach to specific groups and to the general public, which is an integral part of bringing about change in this area.

Serbia

European PROGRES in South East and South West Serbia

Over the last fifteen years, the EU funded over 900 local projects in South West and South East Serbia, which have contributed to enhance local self-government performance, improve infrastructure, and support social inclusion. European PROGRESS has led to the implementation of 254 local projects that facilitated the creation of 700 jobs, contributed to public and commercial investments with over EUR 10 million, directly benefitted over 9 000 vulnerable people, and improved living conditions for all citizens. This support illustrates very well the commitments of the European Union as Serbia's biggest investor, trade partner and donor.

Turkey

The Facility for Refugees in Turkey

The EU Facility for Refugees in Turkey became operational in February 2016 and has mobilised EUR 3 billion both from the EU budget (EUR one billion) and contributions from Member States (EUR two billion). The total budget of EUR three billion covers the period 2016-2017. The full envelope of the Facility was committed, consisting of EUR 1.4 billion in humanitarian assistance and EUR 1.6 billion in non-humanitarian assistance, and 72 projects were contracted by the end of 2017.

Under the humanitarian assistance strand of the Facility, 45 projects were contracted with 19 partners, covering basic needs, protection, education and health. The EU addressed the needs of particularly vulnerable refugees via the Emergency Social Safety Net benefitting 1.2 million of the most vulnerable refugees. The Conditional Cash Transfer for Education programme was launched in 2017 and is the largest ever Education in Emergencies programme financed by the EU, facilitating access for refugee populations to formal education systems. As of February 2018, over 266 000 children attended school and their families received financial support through this programme.

Under the long-term development strand of the Facility, 27 projects were contracted and focus on supporting longer-term livelihoods, socio-economic and educational perspectives of refugees. Since October 2016, a EUR 300 million grant – implemented in cooperation with the Turkish Ministry of National Education – supports the integration of Syrian children into the Turkish education system providing access to education to 500 000 children. In addition, working with the Turkish Ministry of Health, the Facility has delivered EUR 300 million in aid to ensure refugees can access healthcare services, with 760 000 primary health care consultations carried out and over 217 000 Syrian refugee children vaccinated so far.

Further information on the Facility here: https://ec.europa.eu/neighbourhood-enlargement/news_corner/migration

Regional cooperation

The Connectivity Agenda

The Connectivity Agenda launched in 2014 in Berlin supports concrete investments in WB6 transport and energy networks for creating a regional environment conducive to economic growth and job

creation. The investment works are accompanied by reform measures that would enable the development of a single WB6 electricity market and improved regulations linked to the transport sector. The investments are driven by the European Commission via the WBIF, with significant support from individual EU MS, bilateral donors, and partner financial institutions. It has become a major platform of communication and cooperation between the Western Balkans and the EU, on issues of common interest and challenges.

At the Western Balkan summit that took place in Trieste in July 2017, a connectivity package was approved with EUR 194 million EU grants leveraging investments of EUR 500 million, for seven new regional projects to improve transport and energy links within the Western Balkans and with the EU. This comes in addition to 24 priority projects already agreed in order to build the Core transport network and corridors, and to implement priority electricity and gas projects. The connectivity agenda leveraged so far EUR 1.4 billion of investment in areas such as railways modernisation, motorway connections, inter-modal transport, or electricity transport and interconnection. At the same time, the agenda supports the implementation of national reforms to remove obstacles to the movement of persons and goods, and to improve intra-regional trade.

Cross-border cooperation

Dynamic Alps-ViP Dinarica promotes tourism on the border

“Via Peaks of Dinaric Alps – ViP Dinarica” is a project funded by the CBC Programme between Montenegro and Kosovo (the EU contribution is worth EUR 406 082) which created new cross-border adventure travel products, consisting of two continuous trails and new services for hiking and biking for 600 km. These trails connect three National Parks of Montenegro – Durmitor, Biogradska Gora and Prokletije -with the National Park Bjeshket e Nemuna / Prokletije in Kosovo. The project contributed to the establishment of the continuous hiking and biking mega trail of Via Dinarica that goes through Croatia, Bosnia and Herzegovina, Montenegro, Kosovo and Albania, and passes through National Parks, numerous authentic villages and municipalities with an exciting variety of breathtaking landscapes. The visitors are offered with a wide range of activities, natural beauties, traditional products and a unique cultural heritage. This approach highly contributes to strengthening tourist stakeholders' networking and setting the conditions for longer tourist stays in the entire Western Balkans region, producing direct positive impact on the local communities.

3.4.4. Implementation

Albania

In 2017, key priorities for financial assistance included public financial management, public administration reform, justice reform, home affairs, and employment and skills.

In the area of public finance management, a sector reform performance contract contributed in particular to the implementation of the revised budget law, the amendment of the Public Procurement Law, and increasing capacity in newly created units within the Ministry of Finance and Economy (PFM reform coordination Directorate, Fiscal Risk Unit, Central Harmonisation Unit).

In the area of public administration reform (PAR), a sector reform performance contract supported the implementation of the PAR strategy. Further activities supported the territorial reform, professional development in the civil service through training of young civil servants, and the finalisation and adoption of the commentary to the Code of Administrative procedures. Support was also given to the further automation of services provided by the state, to an improved service delivery to citizens and businesses, as well as to the development of a regulatory impact assessment methodology for policy planning.

Among other technical assistance measures, the Commission supported the implementation of the justice reform also through the deployment of an International Monitoring Operation that monitors the temporary re-evaluation (vetting) of Albanian judges and prosecutors. The inception mission occurred in July 2017 and the first international observers were deployed as from September 2017.

There are currently over fifty staff members deployed in this framework.

In the home affairs sector, the consolidation of law enforcement agencies project (PAMECA) supported the Ministry of Internal Affairs, the State Police and the prosecutor offices in their fight against organised crime and drug trafficking and responded to local community needs in terms of public security and border management challenges relating to flow of migrants and asylum seekers.

In the area of employment and skills, a sector reform performance contract supported the implementation of the Albanian Strategy for Employment and Skills 2014-2020. Employment services have been strengthened, and services for information, counselling and mediation and their outreach have significantly improved. Vulnerable groups in the labour market benefit from additional assistance to meet their needs. The share of trained Technical and Vocational Education and Training (TVET) teachers/instructor has increased. The monitoring system for reporting on Roma and Egyptians citizens who completed vocational training courses in public vocational training centres and who benefited from Employment Promotion Programmes also started. The new law on the establishment of multifunctional TVET Centres has been adopted and a tracer system for all TVET graduates is in place.

Bosnia and Herzegovina

In 2017, the EU continued to support Bosnia and Herzegovina in implementation of its Reform Agenda 2015-2018 and in advancing in approximation to EU acquis in the different sectors. In the area of democracy and governance, support to the public administration reform and public financial management continued through the regionally funded OECD Support for Improvement in Governance and Management (SIGMA) programme. The capacity of Parliaments in Bosnia and Herzegovina at all levels was strengthened to scrutinize the legal approximation process and to create space for debate with the citizens on the EU integration process. Involvement of civil society in the EU integration process was supported through capacity building and improved sector-level coordination of CSOs.

Strengthening the rule of law continued with further capacity building to enhance the effectiveness, accountability and efficiency of the judiciary and the fight against corruption. Bosnia and Herzegovina's policies and practices on prisons were further harmonised with European standards, contributing to raising standards in security and the respect of prisoners' human rights. Technical assistance delivered to the Judicial and Prosecutorial Training Centres in each entity contributed to improving the quality of training provided to judges and prosecutors.

The EU continued supporting the International Commission on Missing Persons to address the persisting challenges of transitional justice from the war in Bosnia and Herzegovina. In parallel, the judiciary's capacity to process war crimes was strengthened through support to salaries and material costs of courts and prosecutor's offices all around Bosnia and Herzegovina.

The EU Programme for Local Development and Employment supported economic recovery of flood affected areas by making a transition from flood recovery to development, promoted social inclusion and provided structural measures to enhance employment at the local level by providing opportunities for creation of new jobs. In the area of employment, EU support improved the work of labour market institutions and contributed to reduction of the number of active job seekers.

The continued lack of countrywide strategies in key sectors such as environment, agriculture and rural development as well as energy, prevented the extension of IPA II to these sectors in 2017. Some progress was made in 2017, when following the adoption of the Transport Framework Strategy 2016-2030 in July 2016, a substantial amount of funds could be allocated to this sector. Furthermore, the adoption of the Environmental Approximation Strategy in 2017 and the Rural Development Strategy in early 2018 shall allow considering support to these sectors as of 2018.

The former Yugoslav Republic of Macedonia

Until the middle of 2017, due to the lasting political crisis, the lack of political commitment impeded the implementation of IPA. Finalisation and adoption of key strategies was pending, in particular in the areas of justice, Public Administration Reform and Public Financing Management, putting at risk the effectiveness of pre-accession assistance. With the early parliamentary elections in December 2016, the country has overcome the political crisis and the new reform-oriented government has taken noticeable steps to advance the implementation of the "Urgent Reform Priorities", including through its "3-6-9 plan" for the initial phase of reforms. It has shown political will to bring the country firmly back on its EU path.

As a result of a changed momentum, in 2017 the Commission has programmed the highest IPA envelope to the country so far under IPA II. In total, together with other programmes such as the Civil Society Facility and the Instrument for Pre-Accession Assistance in Rural Development (IPARD), the EU allocated EUR 82 million to support the country on its EU integration path in 2017.

The EU has continued to support the country in dealing with the migration crisis. A new significant migration assistance package has been designed: an additional EUR 30 million was allocated in 2017 to support in particular Serbia and the former Yugoslav Republic of Macedonia in managing the migration flows, and existing programmes have been re-calibrated in order to respond to changing needs on the ground.

Kosovo

In 2017, democracy and governance, rule of law and fundamental rights, competitiveness and innovation and education, employment and social policies were identified as priority sectors in Kosovo. These sectors were selected based on their level of preparedness, the beneficiary's commitment to reform and the absorption capacity of the beneficiary institutions. A sector reform performance contract amounting to EUR 25 million was adopted in the area of Public Finance Management (PFM). It is aimed at supporting the implementation of Kosovo's PFM Reform Strategy 2016-2020. The overall objective of the programme is to contribute to sound financial management

and improved service delivery in Kosovo through improved fiscal discipline and strategic allocation of resources.

In Kosovo, the main tool for planning, coordinating and monitoring EU related reforms are the Stabilisation and Association Agreement (SAA), which entered into force in April 2016, and Kosovo's updated 2018-2022 Programme for its implementation. However, much of the programme is lagging behind. In November 2016, the Kosovo Government launched the European Reform Agenda (ERA), together with the European Commission, showing a political commitment to implement the SAA and maximise its benefits. The ERA action plan was adopted by the Assembly, but its implementation has lagged behind. In 2017, Kosovo submitted its third Economic Reform Programme to the Commission.

Montenegro

In 2017, IPA funds were allocated to democracy and the rule of law areas. They were delivered through a sector reform performance contract of EUR 15 million that focused on public administration reform and public finance management. Funds also focused on a programme in transport under competitiveness and growth objective. Additional support was provided to education, employment and social policies.

Ongoing programmes from previous years continued on a range of sectors including transport, environment, and agriculture. Social programmes continued to address the integration of Roma and other vulnerable groups while integrated border management sector reform performance contract helped build capacity for the protection and management of Montenegro's borders.

Serbia

In the 2017 programme, three priority sectors were identified for IPA financing: democracy and governance, rule of law and fundamental rights (in particular justice) and environment, climate change and energy. Support was also allocated to general capacity building in the context of the accession negotiations and to the preparation and implementation of investments and participation in EU programmes.

Assistance to the education sector has been stepped up with the signature of a EUR 27.4 million sector reform performance contract. This will support the improvement of the quality, equity, and relevance of education and training system, including specific issues linked to education needs of minorities and Roma, in order to better match the needs of the labour market, as well as to progressively align to the European Union standards, policy and practice. Likewise, the sector reform performance contract on Integrated Border Management has started supporting the implementation of Serbia's new strategy that contributes to improving the transit of goods and people, while at the same time keeping it well controlled and secured from any illegal activities.

In 2017, EUR 21 million were provided through the EU Regional Trust Fund in response to the Syrian crisis in support to the reception/asylum centres, the staff working on the field, the voluntary return mechanism and health support. In parallel DG ECHO ensured the provision of food and protection to the migrants. The EU is also working with the Serbian authorities to fight smuggling and trafficking, and funding has been allocated to reinforce border control and to fight irregular migration. In total, the EU has provided so far EUR 80 million to Serbia in the context of the migration crisis.

Turkey

Regarding IPA financial assistance in Turkey, in 2017, the Commission further reoriented funding towards the rule of law, fundamental rights and civil society and recentralised the management of support to civil society. The overall amount of IPA assistance was also cut, and it reached EUR 493 million, combining annual and multiannual programmes. The annual action programme for 2017, adopted in November 2017, foresees EUR 123.1 million to support activities on fundamental rights and the rule of law and co-finance Turkey's participation in Union programmes and agencies in order to continue to enhance people-to-people contacts between Turkey and the EU. It also includes EUR 18 million to support civil society. The EU 2017 allocation for the four multi-annual action programmes on environment and climate action, education, employment and social policies, competitiveness and innovation and transport amounted to EUR 221.5 million. Funding for these programmes was reduced by EUR 89 million compared to the indicative figure envisaged earlier.

Regional cooperation

During 2017, regional cooperation continued to be promoted between the countries of the enlargement zone, with particular focus on the enhanced Western Balkans cooperation (WB6), the 'Berlin process' and the Connectivity agenda – the strategic / policy perspectives and the programming/project support.

Continued progress has been achieved on the Connectivity agenda and main achievements could be recorded on the occasion of the Western Balkan summit hosted by Italy in Trieste on 12 July: a connectivity package of seven new regional projects (totalling EUR 194 million EU in grants, and leveraging investments of EUR 500 million) to improve transport and energy links within the Western Balkans and with the EU; a substantial and more positive agenda for young people; the creation of a Regional Economic Area; advancement on infrastructure measures linked to the connectivity agenda; and the successful signing of the Transport Community Treaty.

There has been notable progress in the framework of the WB6 at working level, with increased dialogue at the level of Prime Ministers and advisors, Ministers of transport, energy and foreign affairs, on practical matters and reform measures. There is more moderate progress in the implementation of connectivity reform measures for energy and transport which were agreed in Vienna.

The Western Balkans Investment Framework (WBIF) operational set-up has been further improved, with a stronger focus on strategic policy priorities (SMEs and social development), better national planning and priority setting of individual investment projects, and a more in-depth cooperation with other donors and IFIs. A strong focus on implementation of the 2015 connectivity package resulted in several ground-breaking and high-level regional visibility events, involving high-level representation from all WB6 countries and from the European Commission. Further regional integration actions were also pursued in particular on a regional gas master plan, and on a regional strategy for sustainable hydropower in the Western Balkans.

The Civil Society Facility (CSF) continued providing support to around 45 regional networks of Civil Society Organisations (CSOs) covering almost all the main sectors of the EU acquis. A mid-term evaluation of the CSF has been conducted. Lessons learnt and recommendations are analysed to programme the remaining part of the financial period. A call for proposals for regional thematic networks was launched, and it is being contracted. In a related social sector, there is positive

progress on the preparation and finalisation of the second and final phase of the Regional Housing Programme in close cooperation with the stakeholders to ensure needs-based beneficiary selection and sustainability. The Regional Youth Cooperation Office (RYCO) was established in 2017 as an independently functioning institutional mechanism which includes six Western Balkans participants, aiming to promote the spirit of reconciliation and cooperation between youth in the region through youth exchange programmes. RYCO's first call for proposals was launched in December 2017 with more than 400 applications for an allocation of a total of EUR 900 000 to cover 30-40 projects.

In 2017, a regional programme started, "Ending violence against women in the Western Balkan Countries and Turkey. Implementing Norm, Changing minds implemented" (€5 Million €). The programme aims at reducing discrimination and violence in alignment with CEDAW, Istanbul Convention and EU accession standards. In addition, a study to assess gender equality in public administration in Western Balkans was finalised.

Work has also advanced in the development of a security / counter-terrorism agenda in the Western Balkans, in close co-operation with EU's partners in the region.

Cross-border cooperation

A number of cross-border cooperation programmes are ongoing in the Western Balkans and Turkey.

In 2017, most of the eleven Cross-Border Cooperation (CBC) Programmes 2007-2013 between Western Balkans beneficiaries (i.e. at intra-Western Balkan borders) were still under implementation.

In 2017, eight bilateral CBC programmes for the period 2014-2020 between Western Balkans beneficiaries launched the first round of calls for proposals and the first CBC grant agreements were signed. The new bilateral CBC programme 2016-2020 between Serbia and the former Yugoslav Republic of Macedonia started the preparation for the implementation phase (e.g. setting of joint structures and drafting of bilateral arrangement between the two partner Countries).

The Western Balkans participate, also, in ten cross-border cooperation programmes and four transnational programs with Member States.

The thematic priorities of CBC programmes in the Western Balkans include tourism, cultural and natural heritage, environmental protection, employment, mobility and social inclusion.

Turkey has a bilateral CBC programme with Bulgaria, to support economic, social and territorial development in their common border areas. It also continues to participate in the Black Sea programme.

3.5. European Neighbourhood

3.5.1. European Neighbourhood East

3.5.1.1. Introduction (Policy developments)

During 2017, the EU continued to develop the Eastern Partnership (EaP) firmly based on common values, mutual interests, shared ownership, responsibility, differentiation and mutual accountability to deliver tangible results.

The year was marked by progress in bilateral relations: The Association Agreement with Ukraine was ratified by all EU Member States and entered into force on 1 September, while the Comprehensive and Enhanced Partnership Agreement with Armenia was signed in the margins of the EaP Summit on 24 November, giving new impetus to the reform processes. The negotiations on a new Agreement with Azerbaijan to update the current agreement which was concluded in 1996 were also launched in February. The critical engagement with Belarus progressed as the high-level meetings steering cooperation gathered pace, while the European Investment Bank started its operations in Belarus under its recently extended mandate. The visa liberalisation for Georgian nationals entered into force in March and for Ukrainian nationals in June.

The work of the multilateral dimension culminated at the aforementioned Summit in Brussels where the Heads of State and Government committed themselves to implement a strategic and ambitious work plan for the coming period: reforms which are captured in the 20 Deliverables for 2020 document¹⁰¹. In sectoral cooperation, the Summit participants recommitted themselves to focus on results in four key priority areas: strengthening institutions and good governance; economic development and market opportunities; connectivity, energy efficiency, environment and climate change; and mobility and people to people contacts. Furthermore, three horizontal deliverables will be pursued: gender; strategic communication; and civil society.

3.5.1.2. Working Better Together, Donor effectiveness, and donor coordination

In 2017 the ongoing Joint Programming processes in the region continued their momentum notably in Armenia, Georgia, and Moldova.

In Armenia, the Joint Programming, building on the joint analysis established in 2016, has helped inform the preparation of the new Armenia Development Strategy 2030 as well as the Single Support Framework 2017-2020. The Joint Programming focuses on 23 sectors, which largely are in line with the priority sectors identified in the governmental Armenian Development Strategy. In 2017, work has been ongoing to extend the endorsement of the joint analysis at sector level within the development partners' community; so far, 15 of the 23 have been endorsed. The joint analysis was positively welcomed by the Government and development partners and is the cornerstone of the future design of EU bilateral support to Armenia.

¹⁰¹ https://eeas.europa.eu/sites/eeas/files/20_deliverables_for_2020.pdf

In Georgia, the Joint Programming process and notably the joint European analysis finalised in April 2017 guided and informed the choice of priority areas for the Single Support Framework (2017-2020). This established the strategic framework, key results and indicative financial allocations for the EU's bilateral cooperation with Georgia until 2020, which was adopted in December 2017.

For Moldova, the Commission adopted the Single Support Framework (2017-2020) in September 2017. Furthermore, the Joint Programming process led to the finalisation of a Joint Programming Document in November 2017. That process has enhanced the exchange of data between European partners and has improved the coherence of European policy dialogue in the country. In the absence of a 'classical' division of labour at country level the Joint Programming has also notably underpinned and strengthened coordination efforts during the year.

In Azerbaijan, the EU supported the government's active role in donor coordination in the sectors of agriculture and education. The EU made efforts to align its cooperation with the national reform agenda (Economic Reforms Roadmap adopted in December 2016). Joint programming in Azerbaijan has focused on vocational education and training where a number of partners, including EU Member States and others such as Norway and Switzerland, are active and the implementation of a related roadmap continued in 2017.

In Belarus, regular exchanges on policy analysis and coordination continued with EU Member States and other donors, informed by the joint analysis undertaken in 2016.

In Ukraine donor coordination continued to take place in various formats, both government and donor led, depending on the thematic area. Coordination with Member States continues to be re-enforced notably through joint implementation at sector level. In 2017 joint implementation modalities in the areas of energy efficiency, PFM and Support for the East were finalised.

Donor coordination is also part of discussions under the Eastern Partnership Platforms and Panels, enabling a more strategic and coordinated support to the partner countries. Efforts were made to improve coordination with International Financial Institutions (IFIs), be it through coordination meetings or joint missions, such as on the energy efficiency initiative led by Commissioner Hahn. The multi-donor Eastern Europe Energy Efficiency and Environment Partnership (E5P) has extended its geographic coverage to Belarus, with a fresh contribution being provided from the EU, which remained the fund's major contributor.

3.5.1.3. Working towards People, Planet, Prosperity, Peace and Partnership

Principally guided by the revised European Neighbourhood Policy (ENP) and the priorities established at the Eastern Partnership (EaP) Summit in Riga in 2015, the EU's relations with its eastern neighbours are well aligned with and support the implementation of key global policy goals set by the UN 2030 SDGs and the Paris Agreement on Climate Change. Commitments made as part of these two documents have served as a reference for shaping the 20 key deliverables for 2020, which were endorsed at the Eastern Partnership Summit in November 2017. The thematic coverage of these deliverables corresponds to the SDGs and their targets. To enable implementation, a policy dialogue and progress monitoring framework was put in place. The aim is to mobilise both technical expertise and senior officials' involvement in a process that would accelerate actions in the next phase of the Eastern Partnership until 2020.

The Commission is actively collaborating with stakeholders in the European neighbour countries in their transition from analogue to digital. Within this context, technical support and capacity building were offered to Enlargement and Eastern Partnership countries on the establishment of open data infrastructures, in accordance with the INSPIRE and PSI Directives. During the 2017 Annual INSPIRE conference, a workshop was co-organised by the World Bank, the UN Economic Commission for Europe (UNECE), the Food and Agriculture Organisation of the United Nations (FAO) and the Commission services. The workshop explored challenges and possibilities related with data driven economy in Central and Eastern Europe under the umbrella of the recently published Communication on 'Building a European Data Economy'¹⁰². Particular emphasis was put on good practices that, if re-used and extended, can further foster innovation and intensify growth.

EU4Business: Supporting SME development in the Eastern Partnership

Context

The European Union's EU4Business initiative is an umbrella initiative that covers all EU activities supporting SMEs in the Eastern Partnership countries. The EU believes that SMEs are a key ingredient of economic life. In the Eastern Partnership region, SMEs represent between 83 % and 99 % of all firms, and account for 50 % of all jobs.

Objectives

EU4Business programmes aim to provide SMEs with:

- Access to finance including local-currency loans, finance for export-related investments or to adapt to EU standards, support for women entrepreneurs and start-ups.
- Access to markets through investment loans for equipment, technology and infrastructure, business advice, export training and networking opportunities, cluster development and trade missions to EU markets.
- Access to knowledge, through advisory services, consultancy and technical support, and tailored trainings to support skills development.

Through its DCFTA Facility, EU4Business provides additional support to SMEs in countries that have signed an Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA) with the EU including help to:

- Adapt to new market requirements.
- Invest in new equipment to comply with EU rules and requirements.
- Take advantage of new EU export opportunities.

Impact

- ✓ SMEs in the Eastern Partner countries have access to local currency loans, enabling investment in equipment, technology and infrastructure to improve production, competitiveness and export readiness, thus driving economic growth and employment; targeted loan facilities specifically support women entrepreneurs, start-ups and local micro-enterprises.

¹⁰² COM(2017) 9 final, 10.1.2017

- ✓ SMEs, especially those in the DCFTA countries, are supported in streamlining and adapting their business to compete in EU export markets, with export training, as well as funding for export-related investments and advisory services to meet EU quality standards and market requirements; agricultural and food industries are supported to take advantage of the opportunities of EU markets.
- ✓ SMEs become more competitive on both local and international markets through advisory support on human resources, IT and management, as well as training and consultancy to improve entrepreneurial skills; local business consultancy skills and business support services are improved to ensure sustainable development of SME sector.
- ✓ A more business friendly environment is created through support to national SME support programmes, private sector reform, a reduction in red tape and the introduction of clearer and more transparent business regulations.
- ✓ Currently, 43 projects in six countries (regional and bilateral) with 22 implementing partners
- ✓ Almost EUR 320 million in EU support for ongoing projects.
- ✓ From 2009 to 2016 the EU support triggered more than EUR 1.5 billion in loans from partner banks to SMEs, supported 110 000 SMEs, created 10 000 new jobs and trained 20 000 people.

“With modern equipment and European standards in-house, we hope to be tasked with the construction of highways and roads for better connectivity, and to play our modest part in boosting trade and prosperity for the good of our country,” says Ioseb Gadelia, founder of Indico, a road construction company based in Senaki, Western Georgia.

The Covenant of Mayors East

Context

The EU’s Covenant of Mayors (CoM) initiative supports municipalities in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine in implementation of their energy and climate commitments. By providing targeted grants to municipal projects, the EU contributes to their target to cut CO2 emissions by 30 % by 2030, in turn helping municipalities across the region to step up efforts to implement the Paris Agreement.

Objectives

- The Covenant of Mayors East (CoM East) provides support to municipalities in the Eastern Partnership countries in developing and implementing Sustainable Energy and Climate Action Plans, or SE(C)APs.
- These Plans are the key documents of local energy and climate policy that set out how each municipality will reach its CO2 reduction target and increase resilience to the impact of climate change.

Impact

- ✓ More than 300 municipalities in the Eastern Partnership region have signed up to the CoM.

Warm schools and kindergartens



Context

Municipalities across the region have shown their ambition to join the world's largest energy and climate initiative – the Covenant of Mayors - as they have been eagerly signing up to the target of a 20 % CO₂ emission cut by 2020. However, they often lack the resources and technical expertise to implement their commitments, especially to upgrade old Soviet-era infrastructure. This has been challenging especially in areas of district heating, kindergartens and schools, street lighting and introducing renewable energy sources for heating.

Objectives

- To support municipalities in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine to decrease their CO₂ emissions, improve living conditions for their citizens, and substantially save public funds which can then be re-invested for the benefit of all.

Impact

- ✓ Energy savings and lower energy bills for have been facilitated for schools, kindergartens, and hospitals. through insulation of walls, replacement of windows and entrance doors and introduction of renewable heating sources.
- ✓ Significantly reduced CO₂ emissions in participating cities through building refurbishment; upgrading of district heating systems, introducing energy-efficient street lighting and upgrading of public transport has been achieved.
- ✓ Reduced energy consumption in public buildings and as a result reduced operational costs and energy bills for municipalities and thus citizens.
- ✓ Improved living conditions for citizens, for example, through improving energy efficiency in waste water systems.
- ✓ In total grants to municipalities of EUR 14 million to support 19 projects involving 22 municipalities throughout the Eastern Partnership region.
- ✓ Thanks to the thermal modernisation of Kindergarten No. 3 in Zmerynka, Ukraine, the kindergarten is able to cut its CO₂ emissions by 50.4 tons per year– equivalent to the emissions of 108 cars!

“Now we can keep the temperature in the building at 20 °C in the winter. We set the temperature ourselves and control the humidity.” Nataliya Khudoliy, director of Kindergarten No. 3 (pictured above).

3.5.1.4. Implementation

Bilateral Cooperation Including Budget Support

Armenia

For Armenia, the year 2017 marked a significant evolution in EU-Armenia relations: firstly, a new Comprehensive Enhanced Partnership Agreement was signed, and secondly, two strategic documents were finalised: the Partnership Priorities and the Single Support Framework (2017-20). In this context, the EU continued to provide support in the various sectors, for example, on labour market efficiency, regional development, agriculture, justice sector reform, e-governance, strengthening of civil society, public administration reform and border management and migration. In particular, the EU support helped to achieve higher levels of transparency in the April 2017 National Assembly elections through procurement of voter identification devices and other technical support to the Central Election Committee. EU budget support on human rights helped advance the adoption of a law on preventing and combating domestic violence in December 2017.

Growth and economic development have been at the heart of the bilateral cooperation between the EU and Armenia, including improving the business and investment climate for SMEs as well as their access to finance. The EU has also supported the economic competitiveness of Armenian regions by assisting in the preparation of the Armenian Strategy for Regional Development and by launching a Pilot Regional Development Programme scheme, supporting economic and social, territorially balanced and sustainable development of all Armenian regions.

The EU, mainly via its Delegation, has actively engaged in high-level and technical discussions in the field of protection of human rights, supporting the implementation of a Human Rights budget support programme on improving the electoral system, the fight against torture, the fight against discrimination, gender equality and the protection of children's rights.

In 2017 the EU support to Armenia focused on three areas. Firstly, economic governance to attract public and private investment, business and investment, trade and market opportunities and connectivity and energy, in line with the newly signed Comprehensive and Enhanced Partnership Agreement (CEPA). Secondly the quality of STEM (science, technology, engineering and mathematics) with the Eu4Innovation programme with the aim of enhancing qualifications and job creation. Thirdly the justice reform process to strengthen the independence, transparency, predictability, accountability and efficiency of the Armenian justice system.

Regarding budget support, during 2017 there were five ongoing budget support programmes (with a total multi-annual value of EUR 107 million) on human rights, multi-sector, public finance policy reform, Better Service Delivery through a More Efficient and Responsive Public Administration (PAR), and better qualifications for better jobs and support to agriculture and rural development (ENPARD).

Azerbaijan

For Azerbaijan, the negotiations for a new agreement and Partnership Priorities were ongoing during the year and the Single Support Framework for EU support to Azerbaijan in 2018-2020 was under preparation. In this context, the EU continued support mainly in three areas: economic diversification, human capital and regional development. One example is the new EU programme supporting the region of Lankaran (EU4Lankaran) by enhancing the competitiveness of the fruit and vegetable sector of the region and agricultural development.

The EU also continued to support the government's reform agenda in areas such as agriculture/food safety, trade and standards, SME development, rule of law and vocational and educational training including through active use of the Technical Assistance and Information Exchange instrument (TAIEX). In collaboration with the Council of Europe, the EU supported a dialogue between government and civil society on Azerbaijan's CSO legislation, with the aim of aligning it with the country's international commitments.

As in previous years, the twinning instrument has remained a successful tool in supporting the Government's efforts to modernise its administration and to approximate to European standards and practices in selected sectors. The findings of the EU-Azerbaijan Business Climate Survey 2017 are helpful in guiding cooperation between the two sides in the trade and related areas.

Regarding budget support, during 2017 there was one ongoing budget support programme (with a total multi-annual value of EUR 20 million) on rural development.

Belarus

For Belarus, the positive trend in relations and cooperation between the EU and Belarus continued in 2017: the EU and Belarus advanced negotiations on the Partnership Priorities, a strategic document outlining the basis for cooperation and the first document of this kind between the EU and Belarus. It will contribute to a further normalisation of relations and, once adopted, also the Single Support Framework (2018-2020) can be finalised. In this context, the EU support focused mainly in three areas. First business and economic development, in order to help simplify the business procedures and improve the business climate to promote investment and trade, as well as to support structural reforms in the state-owned enterprise sector. Secondly, good governance, to foster an inclusive long-term dialogue between the authorities and civil society, and to increase the participatory system of governance and ownership of society. Third, mobility and people-to-people contact, to provide more Belarusian professionals the opportunity to establish contacts with peer sector professionals in EU Member States. In 2017, a new cooperation track was opened in Belarus, with the launch of the first Twinning project allowing Belarusian counterparts to benefit from the transfer of expertise from EU Member States.

Belarus has been eligible since 2016 to access EIB lending and a facilitated EBRD approach. In 2017, the EU pledged to provide financial support for Belarus to join the Eastern Europe Energy Efficiency and Environment Partnership (E5P), a multi-donor trust-fund managed by the EBRD, which facilitates investments to implement municipal sector projects that would improve energy efficiency and environmental protection and cut greenhouse gas emissions.

Georgia

The European Union and Georgia have further intensified their relations in 2017. The entry into application of visa free travel to the Schengen area for short stays on 28 March 2017, and the accession of Georgia to the Energy Community Treaty as full contracting party in July 2017 were important milestones bringing the EU and Georgia closer.

The revised Association Agenda and the Single Support Framework (SSF) defining the priorities and financial allocation for EU support until 2020 were adopted respectively in November and December 2017. The new SSF contributes to the implementation of the Association Agreement and to supporting key structural and institutional reforms in the field of the economic and business environment. This is in line with Georgian reform agenda and will help Georgia to obtain sustained growth and jobs and maximise the benefits provided by the Deep and Comprehensive Free Trade Area (DCFTA).

EU support has been instrumental in adopting over 7 000 European standards in the areas of health, safety and environmental protection resulting in a visible increase in Georgia's exports to the EU. Significant achievements have been made in phytosanitary policy and legislation. In June 2017 Georgian origin Black Sea fishery products were declared eligible for export to the EU market, following honey and raw wool. Additional efforts are required in view of further enhancing food safety in the country but also to support effective access to the EU market for agricultural products.

According to the latest survey by the World Economic Forum on business perception, the perceived level of judicial independence in Georgia is above average but decreasing. A first comprehensive Judiciary Strategy and its five-year Action Plan were adopted in May 2017. An effective state and justice apparatus is crucial not only to fulfil Georgia's reform aspirations, but also to gain citizens and investors' confidence. Access to justice is facilitated through the establishment of a governmental legal aid service, which has provided over 175 000 Georgians with free legal counselling and aid. The EU has provided considerable support in this area through EU4Justice.

EU support on public finance policy reform aims to make Georgian finances more transparent and accountable to its citizens. This is having a positive impact: according to the international Budget Partnership's Open Budget Index 2017 (the world's only independent, comparative measure of central government budget transparency), Georgia ranks in 5th position, advancing 28 places compared to 2012.

Georgia has made the reform of its education system one of its central government priorities for the coming years. EU support focuses on establishing a greater link between the education system, the labour market and the economy. In addition, support is also being provided to the EU-Georgia Mobility Partnership and the sustained implementation of all benchmarks of the Visa Liberalisation Action Plan.

Regarding budget support, during 2017 there were eight ongoing budget support programmes (with a total multi-annual value of EUR 278 million including the technical assistance component) on Justice, DCFTA and SMEs, Public Administration Reform, Employment and Vocational Education and Training, PFM, Regional Development, Agriculture and Rural Development (ENPARD II) and IDPs (Internally Displaced People).

Moldova

In 2017, the Republic of Moldova stabilised its economic situation and, with constant but conditional support from the European Union and other international partners, has progressed with the implementation of some reforms, including strengthening the Deep and Comprehensive Free Trade Area (DCFTA). Further efforts, however, are still needed in particular to address high level corruption, recover misappropriated funds from the banking fraud and bring to justice those responsible for it. A thorough reform of the judicial system is also to be addressed.

The Republic of Moldova has also continued to reform its banking sector, supported by the EU and international partners such as the International Monetary Fund (IMF) and the World Bank. As a result, the IMF agreement is on track. The economic growth registered in 2016-2017 had a positive impact on trade. Moldova has made progress in aligning its legislation on trade matters to EU regulation and standards and trade has further increased, but also here significant further efforts are required to fully capitalise on the positive potential of the DCFTA agreement.

On democracy, human rights and good governance, the change of the electoral system in July 2017 was not in line with the recommendation of the Council of Europe's Venice Commission and the Office for Democratic Institutions and Human Rights of the OSCE. Corruption, including high-level corruption, remains widespread and the independence of justice, law enforcement as well as national anti-corruption authorities need substantial improvement.

The EU annual programme for 2017 focused on water sanitation projects, energy interconnections (with Romania) and energy governance, economic governance, the EU Border Advisory mission to Moldova and Ukraine with special focus on Transnistrian conflict settlement (EUBAM), civil society, and support to AA/DCFTA implementation.

Several achievements, including examples of projects that were completed in 2016-2017 with EU support directly improved citizens' daily lives. New business incubators have been established, for example in Calarasi, to boost economic development and create jobs, and the EU has provided grants to migrants returning to Moldova. Confidence-building measures delivered concrete benefits to Transnistria and Gagauzia, such as support for setting up businesses and creating jobs.

Regarding budget support in Moldova, during 2017, there were eight ongoing budget support programmes (with a total multi-annual value of EUR 315.2 million) on energy, justice, visa-liberalisation, vocational education training, trade (DCFTA), public finance policy reforms, rural development and police reform.

Ukraine

Major milestones in EU-Ukraine relations in 2017 were the adoption of the visa-free regime for short stays for Ukrainian citizens holding biometric passports and the ratification and entry into force of the Association Agreement including the Deep and Comprehensive Free Trade Area (AA/DCFTA). These developments mark significant reform achievements in key areas such as good governance, the rule of law, anti-corruption and migration management. They also confirm the country's commitment to applying European standards. In April 2017 the Government adopted the Mid-Term Action Plan 2017-2020, which refers to the AA/DCFTA as a key guiding document and links the budget preparation process with the implementation of reforms.

The process of legislative approximation with the EU intensified following the reorganisation of the Government Office for Euro and Euro-Atlantic Integration (GOEEI). The EU provided coordinated support through 21 different EU funded technical assistance and twinning projects covering major sectors included in the AA/DCFTA.

The EU significantly increased its support for governance reform in 2017. The EU's support for the modernisation of Ukraine's public administration showed good results. A new EUR 50 million programme was adopted in 2017 to support the implementation of the new public finance management (PFM) strategy and reform of the Ministry of Finance and affiliated agencies including the State Fiscal Service. The EU Anti-Corruption Initiative made a successful start as a platform for all EU and Member State support to the different anti-corruption institutions. On the rule of law, the new PRAVO programme continued and expanded interventions in support of the reform of the judiciary, prosecution and law enforcement. The programme 'U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development' became fully operational supporting decentralisation and strengthening local government.

In response to the conflict in the east of the country, the EU continued to provide humanitarian as well as stabilisation and early recovery assistance. The EU also adopted a EUR 50 million special measure in November 2017 to provide support for recovery and development as well as to strengthen social and economic resilience in government-controlled areas in the east of Ukraine.

A EUR 50 million 'Energy Efficiency Support Programme for Ukraine' was adopted contributing to the set up and development of a national Energy Efficiency Fund, which was established in 2017. Setting ambitious targets for promoting energy saving measures in multi-storey housing complexes in all urban centres, it aims to become a major impetus to substantially reducing national energy consumption and improve energy security. With significant EU support, the Ukrainian Parliament adopted in June 2017 laws on the Energy Efficiency Fund (EEF), on energy efficiency in buildings and on heat metering and billing. In November, the important law on utilities and communal services was also adopted. The EEF will incentivise energy efficiency investments in the residential sector by providing Ukrainian households with grants for energy efficient renovations. The EU actively supported the preparation of the revised 'Energy Strategy of Ukraine until 2035'. Adopted by the Government in August 2017, the new strategy prepares the integration of Ukraine into EU energy markets. The law on the Electricity Market, moving from a single buyer model with cross-subsidisation to a competitive market in line with EU legislation, was adopted by the Parliament and entered into force in June 2017.

Regarding budget support in Ukraine, during 2017 there were three ongoing budget support programmes (with a total multi-annual value of EUR 185 million) to support public administration reform, regional policy and energy strategy.

Regional cooperation

The Brussels Summit in November 2017 reconfirmed the joint commitment to the Eastern Partnership and the importance of strengthening common resilience along the four key priority areas of economic development, good governance, connectivity and people-to-people contacts. It moreover adopted the '20 Deliverables for 2020' delivering tangible results to citizens, as well as a new institutional setup to monitor and ensure its implementation.

Concerning market opportunities and economic development, over 40 regional and bilateral programmes under the EU4Business initiative continued as the key tool to deliver concrete support to SME development, complementary to national reform plans. In the context of the DCFTAs established between the EU and Georgia, Moldova and Ukraine, the EU, jointly with the EBRD, EIB and KfW Development Bank, has put in place the DCFTA Facility for SMEs, which will receive approximately EUR 200 million of grants from the EU budget to unlock at least EUR two billion of new SME investments in Georgia, Moldova and Ukraine, to be financed largely by new loans supported by the Facility. Recent developments include the launch of the EIB's DCFTA Initiative East at the Business Forum in Tallinn in November 2017, the extension of the EU4Business-EBRD credit line to Ukraine and the launch of the SME Finance facility Phase II in Ukraine.

To develop the digital economy, the Eastern Partnership countries have reiterated their commitment to focus their digital cooperation on six priority topics during the last Ministerial meeting on the digital economy in Tallinn on 5 October 2017. Support policy work in these areas as well as high-speed broadband connections will be streamlined through the EU4Digital initiative and the related technical assistance programme endorsed by the ENI Committee in November 2017. In addition, through an EU blending facility, namely the Neighbourhood Investment Platform, grant funding will leverage loans from partner International Financial Institutions for broadband investments. The recently launched External Investment Plan also provides EUR 1.5 billion of financial guarantees to attract private sector investments in a number of areas including Digital for Development, which will focus on de-risking investments in 'last mile' infrastructure, digital services infrastructure and innovative instruments to support the scale up of start-ups in the digital field.

As regards good governance and the strengthening of institutions, the Programmatic Cooperation Framework with the Council of Europe for the Eastern Partnership countries, which was renamed 'Partnership for Good Governance' in 2017 to better reflect the priorities of the EaP deliverables, continued to promote reforms in five areas: protecting and promoting human rights, ensuring justice, combating threats to the rule of law, addressing the challenges of the information society and promoting democratic governance. Moreover, under the Eastern Partnership Police Cooperation Programme, further support was provided to reinforce Eastern partnership countries' capabilities in the field of combating serious and organised crime as well as to foster cooperation on police issues related to cross-border crime.

As regards connectivity and energy efficiency, in 2017, regional cooperation focused on the four Riga priorities. Milestones included the implementation of large new regional programmes to promote evidence-based energy policy-making and efficient water resource management, as well as the ministerial endorsement of the extension of the comprehensive transport network to the Neighbourhood East region. The joint EU-IFIs high-level energy efficiency initiative kicked off with missions to Ukraine and Georgia, which resulted in development of dedicated programmes for energy efficiency – a National Energy Efficiency Fund in Ukraine for residential buildings and planning of a programme for Georgia in the public building sector. 2017 was also a successful year for the EU's largest climate and energy initiative in the Eastern Partnership with the number of Covenant of Mayors signatories growing to over 344 in the last three years, which is the highest number among all NEAR regions.

In the areas of mobility and people to people an increased emphasis has been put on youth partnerships, education and employment opportunities, highlighted by the November 2017 EaP

Summit, which endorsed as one of the '20 Deliverables for 2020' a new Youth and Education Package, which aims to bring together all relevant youth actions, policies and stakeholders in a coherent way. One core element of the Youth Package is the EU4Youth programme (total EU funding EUR 20 million 2016-2017) which aims to increase the employability and the active participation of young people in society and economy, by developing their skills and supporting them in becoming leaders and entrepreneurs. Under its capacity-building component implemented under the Erasmus+ programme, 53 projects have been selected awarding civil society fellowships and partnerships for entrepreneurship. Under its Grants Scheme five new large grants support educational opportunities and employment perspectives for youth through regional grants, with particular attention to disadvantaged groups. The design of the Eastern Partnership European School has substantially been advanced. Education and youth cooperation has been further supported by **Erasmus+** with 11 900 individual exchanges from Partner Countries to the EU and 5 100 exchanges from the EU to Partner Countries (2014 – 2017) and over 30 000 young people and youth workers from Partner Countries involved in joint youth projects (youth exchanges, volunteering, and policy dialogue) with their Erasmus+ Programme Countries counterparts. The participation of countries in Creative Europe (for Georgia, Moldova and Ukraine), COSME (Europe's programme for small and medium-sized enterprises) and Horizon 2020, including the Marie Skłodowska-Curie actions, opens new cooperation opportunities for administrations, businesses, cultural and audio-visual operators, researchers and other professionals.

Cultural cooperation was further enhanced by the EU EU-Eastern Partnership Culture and Creativity Programme II (2015-2018). The programme aimed to strengthen national cultural policies, as well as the capacities of the culture and creative sectors in partner countries; include civil society in the decision-making process, thus enhancing the role of culture as a driving-force for reform and to support the participation of partner countries in international cultural initiatives.

Cross Border Cooperation

Cross Border Cooperation (CBC) is an important element of the EU's policy towards its neighbours from the East and South. In 2017, all the Financing Agreements (FAs), except two were signed, which allows for the implementation of the package of 15 ENI-CBC programmes for the period 2014-2020, totalling around EUR one billion. The projects to be implemented under these programmes will aim at supporting sustainable economic development along the EU's external borders, thus reducing differences in living standards and addressing common challenges across these borders. For each of these programmes the participating countries have selected up to four thematic objectives such as SME development, culture or environment and climate change. Cross-border cooperation adds a cohesion and territorial cooperation dimension to the EU's relations with its neighbours.

3.5.2. European Neighbourhood South

3.5.2.1. Introduction (policy developments)

2017 was another challenging year for the Southern Neighbourhood. Amongst others, the protracted conflicts in Libya and Syria, the continued impact of the Syrian and migration crises on hosting communities, the lack of progress of the Middle East peace process, and a shrinking space for civil

society in many countries of the region, weighed heavily on partner countries' capacity for reforms and stabilisation and cast shadows over economic prospects.

As a response, the EU continued to implement its revised European Neighbourhood Policy (ENP), aiming to stabilise neighbourhood societies and countries and developing more tailor-made partnerships with them. Partnership Priorities were adopted for Algeria and Egypt. Progress was made on negotiating such priorities for Tunisia. The EU adopted multi-annual programming documents in the form of Single Support Frameworks for Egypt, Jordan, Lebanon and Tunisia setting the priorities for EU support and the indicative financial allocation for the years 2017-2020 under the European Neighbourhood Instrument (ENI). The EU support to Palestine¹⁰³ is framed by the European Joint Strategy in Support of Palestine 2017-2020, the first ever joint programming document in the Neighbourhood agreed by the EU, its Member States and like-minded countries. Moreover, in line with the Joint Communication of 29 September 2016¹⁰⁴, the EU increased in 2017 its support to Tunisia to EUR 300 million.

The EU continued playing a major role in addressing the Syria crisis, including through providing non-humanitarian assistance to support the resilience of the Syrian people and in particular hosting the 'Supporting the Future of Syria and the Region' Conference in Brussels on 4-5 April 2017. On occasion, the international community and the governments of refugee hosting countries came together to reaffirm commitments to help millions of affected civilians in Syria as well as Syrian refugees and their hosting communities. The EU Regional Trust Fund in Response to the Syrian crisis, passed the EUR one-billion goal set by President Juncker in September 2015.

Through diplomatic action and concrete support, the EU continued to assist Libya's political transition towards a stable, functioning country and supported the UN led mediation efforts in this regard. The EU underlines the importance of inclusiveness of the political process and Libyan ownership, notably through the participation of all legitimate Libyan stakeholders. Via the EU Emergency Trust Fund for Africa, the EU is stepping up its emergency assistance to respond to migration challenges in Libya by providing protection and assistance to those in need while supporting Libyan municipalities deliver basic services to Libyans and migrants alike, as well as improving local governance. This is complemented with support to the Libyan authorities to better manage Libyan borders in line with international standards and human rights. The EU is also supporting Libyan authorities through its Common Security and Defence Policy (CSDP) missions and operations: EUNAVFOR MED Operation Sophia and EUBAM Libya.

The EU remains committed to a two-state solution for Israel and Palestine. It continued to significantly invest in the capacity-building of the Palestinian Authority to enhance implementation of key reforms and worked to improve living conditions in the Gaza Strip.

In 2017, the EU continued to promote regional cooperation in the Southern Mediterranean through policy dialogue with key regional organisations such as the Union for the Mediterranean (UfM), the League of Arab States (LAS), the Organisation of Islamic Cooperation (OIC) and the Anna Lindh Foundation (ALF), as well as through regional actions on ENP priorities, such as job creation, youth and security.

¹⁰³ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

¹⁰⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016JC0047&from=en>

Within the UfM three ministerial meetings were organised on Water, Sustainable Urban Development and Women Societal Enhancement, mirroring closely the SDGs implementation work. The dialogue between the EU and LAS continued through the annual Permanent Representatives meeting, the regular Senior Officials Meetings and the six working groups covering different security-related aspects: counter-terrorism, crisis management and early warning, weapons of mass destruction and arms control, organised crime, humanitarian assistance and migration.

The EU continued its engagement with civil society by strengthening regional mechanisms for dialogue, promoting youth voice and young people's participation in peacebuilding, notably through its support to the Anna Lindh Foundation for intercultural dialogues empowering young women and men from both sides of the Mediterranean.

The ENI remained both a flexible and a responsive tool to address common priorities and emerging challenges. This was confirmed by the ENI mid-term review. The 2017 cooperation package for the Southern Neighbourhood, of around EUR 1.6 billion in grant financing, was adapted to the evolving situation in the region. The EU also continued to promote economic and trade opportunities through support measures to accompany the Deep and Comprehensive Free Trade Area (DCFTA) negotiations with Jordan and Tunisia.

The EU continued to drive forward programmes aimed at assisting Neighbourhood countries in tackling migration challenges. In 2017, the focus of migration shifted to the Central Mediterranean route and Libya remained the main country of departure towards Italy. The EU reacted quickly on the recommendations of its Communication 'Central Mediterranean Route – Managing flows, saving lives' of 25 January 2017¹⁰⁵. On 3 February 2017, Heads of State and Governments met in Malta to confirm that this was the way to go ahead for both the EU and Member States. They put it in writing in the Malta Declaration. The pace of implementation of the North Africa window of the EU Trust Fund for Africa, established in 2016, increased considerably.

In May 2017, the Ministerial Conference on Strengthening Euro-Mediterranean Cooperation through Research and Innovation took place in Malta and led to the adoption of a Declaration calling, among other things, for deepening cooperation through research on migration, marine (BLUEMED initiative for blue jobs and growth) and food systems and water resources (PRIMA).

3.5.2.2. Working Better Together, Donor effectiveness, and donor coordination

2017 saw greater coordination with EU Member States' actions. There was progress on joint programming, with the aim of improving coordination and effectiveness of actions financed by the EU and by its Member States. In Egypt and Jordan, joint EU and Member State analysis was carried out in the course of the year. In Egypt, a Joint Programming Document was being finalised at the end of 2017. The most significant step forward was achieved in Palestine, where a European Joint Strategy was completed and formally adopted by the Commission in 2017¹⁰⁶, bringing together a wide array of partners: the EU, its Member States, the Palestinian Authority, like-minded countries (Norway and Switzerland), civil society, and others.

¹⁰⁵ JOIN(2017) 4 final, 25.01.2017

¹⁰⁶ European Joint Strategy of European Development Partners in Support of Palestine.

In several other countries, the EU led efforts at sector level to enhance coordination and improve the exchange of information between the EU and its Member States, in the absence of a global joint programming exercise. This was the case for example in Lebanon regarding education, private sector and livelihoods and energy, water and solid waste, as well as in Morocco regarding gender, professional training and migration.

In the Southern Neighbourhood, the EU continued to partner closely with and seek the expertise of International Organisations, in particular the United Nations. On Syria for example, the EU worked with the UN on methodologies that will facilitate the implementation of joint and comprehensive area-based responses to the crisis based on an agreed Urban Recovery Framework developed in collaboration with UN-Habitat.

The EU also devoted substantial efforts to enhancing coordination with international, European and Arab Financial Institutions working in the Southern Neighbourhood. High-level meetings with financing partners were organised in the margins of the World Bank – IMF spring meetings in April 2017. In addition, throughout the year Commission services and Financing Institutions met frequently at technical and operational level, in Europe and in the Gulf in order to increase the coherence of our operations and therefore maximise the impact of projects.

Furthermore, the Southern Mediterranean Investment Coordination Initiative (AMICI) continued to coordinate the EU's activities in its Southern Neighbourhood related to growth, facilitating investments and job creation, through synergies between the EU, Member States and European Financial Institutions.

Blending operations under the Neighbourhood Investment Platform (NIP) proved again to be powerful instruments to leverage significant additional financial resources for EU objectives and to increase cooperation with Financing Institutions.

The EU Initiative for Financial Inclusion enhanced EU visibility and its coordination role. The Initiative, launched in 2016, is a comprehensive package of financial instruments, prepared by the EU in cooperation with European Financial Institutions, mobilising more than EUR 1.2 billion in new financing to SMEs. It aims at reaching up to 200 000 micro and SMEs. A coordination platform was set up during 2017.

3.5.2.3. Working towards People, Planet, Prosperity, Peace and Partnership

In line with the SDGs, EU actions in the Southern Neighbourhood in 2017 addressed issues pertaining to economic growth and employment, social protection, rule of law, gender and good governance, environment, health, and education.

People

In 2017, ensuring that people can live in dignity and equality remained a constant focus of EU programmes in Southern Neighbourhood countries. The EU stepped up its efforts towards the protection of highly vulnerable migrants in Libya, as well as the engagement with Libyan municipalities to promote alternative livelihoods and support the resilience of local migrants-hosting communities. Eight new programmes were approved for a total amount of EUR 232.5 million under the North of Africa window of the EU Trust Fund for Africa.

In June 2017, the EU and United Nations Relief and Works Agency (UNRWA) signed the 2017-2020 Joint Declaration, strengthening the political nature of the EU-UNRWA partnership and reaffirming the EU's commitment to promoting the rights of Palestine refugees¹⁰⁷.

On gender issues, the EU has taken several steps forward in 2017 in the Southern Neighbourhood. In Jordan, the EU strongly and constantly advocated for the abolition of the article of the criminal code that provided a pardon for rapists who married their victim, in the framework of a policy dialogue on justice; this article was finally abolished in 2017. In Lebanon, the EU advocated for an enhanced role and a higher level of participation of women in politics and decision-making processes in the new electoral law. In Morocco, the EU approved the programme '*Égalité/Moussawat*' (EUR five million) in order to support the implementation of the EU Gender Action Plan 2016-2020. Delivering on this plan, the EU increased its efforts towards an effective mainstreaming of gender issues in its programmes in the Southern Neighbourhood. These efforts were complemented by additional efforts to move towards the full integration of a Right-Based Approach (RBA) to development, and EU Delegations in Algeria and Morocco received a specific training on the topic during 2017.

Planet

The EU launched several major programmes aiming at supporting sustainable consumption and production schemes, and the sustainable management of natural resources. In Jordan, the EU approved a EUR 100 million programme in support to the National Solid Waste Management Strategy. The programme aims at helping Jordan to implement the first phase of an ambitious 15 years strategy by aligning the legal framework to international environmental standards and investing in new transfer stations while closing or rehabilitating existing landfills. The first Renewable Energy and Energy Efficiency programme allowed the EU to launch the SAHARA Forest Project Facility in Aqaba.

In Lebanon, the EU started to prepare the ground to launch the EU-Lebanon dialogue on Energy in support of long-awaited reforms (especially in the electricity sector) and in view of possible support for renewable energies and the recent awards of petroleum licenses for exploration. In parallel, a programme on solid waste management was launched to foster decentralised response to waste management.

In Gaza, a territory where only 3 % of the water pumped from the aquifer complies with World Health Organisation drinking water quality standards, the EU inaugurated in January 2017 a flagship short-term volume desalination plant in Khan Younis targeting a production of 6 000 m³/day . In parallel, the EU pursued its efforts, together with the Palestinian Authority and with the support of the international community, to build in Gaza a large-scale central desalination plant, which will provide a minimum of 55 million m³ of safe and clean drinking water per year to the people of Gaza.

¹⁰⁷ Joint Declaration between the EU and UNRWA on European Union support to UNRWA (2017-2020), 7 June 2017

Ouarzazate solar power station



Context

Everything is so clean, glittering and shiny, white water vapour rising against the backdrop of the Atlas Mountains, that are sometimes covered in snow. It's hot under the burning sun. Welcome to Noor Ouarzazate, the colossal African solar farm. Noor Ouarzazate is exceptional in many ways as it gathers the most advanced solar power technique in one area. Noor Ouarzazate is also exceptional thanks to the use of innovative financing. The EU contributed, through the Neighbourhood Investment Facility (NIF), a grant of EUR 105 million to total financing of over EUR 1.9 billion.

Objectives

This solar power complex consists of four power stations:

- Noor 1, with a capacity of 160 MW, is a Concentrated Solar Power Station (CSP) parabolic through type, with a molten salt storage that allows for electricity production during the peak hours of the evening/night for three hours and is water cooled.
- Noor 2, also a CSP parabolic through type with a molten storage capacity of up to six hours with a capacity of 200MW and air cooled.
- Noor 3 is a CSP solar power tower with eight hours of molten salt storage, also air cooled to decrease water use.
- Noor 4 is 80 MW Photovoltaic power station to produce energy only during day time.

Impact

The solar complex of Noor Ouarzazate is to be completed by the end of 2018 it will:

- ✓ Generate 580 MW of electricity.
- ✓ Offset more 500 000 tons of carbon emissions annually.

Prosperity

The EU focused on interventions aiming to improve perspectives for youth, with programmes in the area of education and professional training, as well as on innovation, enterprise creation and improvement of the business environment.

In Jordan the EU continued its support to the Technical and Vocational Educational Training (TVET) sector and facilitated the drafting of a new TVET law allowing for better governance in the sector by giving a prominent place for the private sector in the new TVET council. In addition, the EU launched the project 'Jordanian Action for the Development of Enterprises' supporting the private sector in April 2017.

In Palestine, in 2017, the EU support to the TVET System facilitated dialogue and networking among TVET institutions and the private sector under the umbrella of the Local Employment and Training Council. This was part of capacity building for TVET stakeholders and development of policies for a more efficient and functional TVET system.

The Palestinian Market Development Programme, implemented with DFID, continued to support enterprises providing skills and grants for innovation, addressing system failures in specific sectors and strengthening trade and investment linkages with international markets.

In Algeria the EU continued its support to improve governance and diversification of the economy through projects such as PADICA (for industrial diversification and business climate), DIVECO II (Fisheries), P3A (support to the Association Agreement).

In Tunisia the EU continuously supported the improvement of the business environment and the enhancement of a more inclusive economy, confirmed by the approval of the programme *Appui à la Réforme Fiscale, l'Inclusion financière, le Développement de l'économie sociale et solidaire*.

Inclusive growth in Tunisia



Context

For small businesses and for entrepreneurs, access to finance is a major challenge in Tunisia, especially in less-developed regions. Kawther Bedhiaf's professional dream started when she was a child in the Tunisian countryside. "I grew up in a town called Hedra, close to the mountains. Being surrounded by beautiful nature inspired me to become interested in local herbs and oils," she explains. "My interest became a passion, so I decided to learn everything possible about organic products."

Objectives

- Kawther is one of 1 000 'micro-entrepreneurs' who have benefited from an EBRD credit line that is designed to help those frequently overlooked by commercial banks.
- A loan of TND 4 million (EUR 1.6 million equivalent) to Microcred is available to be lent on to women, young entrepreneurs and people living in rural areas to develop their own businesses.
- The project is part of the EU Initiative for Financial Inclusion. The EU Initiative for Financial Inclusion is a comprehensive programme developed with AFD, EBRD, EIB and KfW to help about 200 000 MSMEs in the southern and eastern Mediterranean region to become more competitive and grow. It provides finance and expertise to boost development and create jobs.

Impact

- ✓ A small loan of TND 4,000 (approx. EUR 1 300) through Microcred Tunisia helped Kawther establish her dream business. Her beauty parlour uses only organic products and offers a full range of services: facial care, body massages, haircuts and treatments, manicures and pedicures.
- ✓ Her business has become so popular that Kawther needed to employ several people to work with her. She is particularly proud of having created job opportunities for other local women.

"I really encourage Tunisian women to take out small loans to make a living for themselves, start their own projects and succeed like me" says Kawther.

Peace

Fostering inclusive societies is a core element of the stabilisation objective of the revised ENP. In Jordan, the EU launched the programme 'EU support to Jordanian Democratic Institutions and Development'. It will enhance EU engagement with key institutions in the country and deliver parliamentary support activities, electoral assistance and support to the political party system. The EU also approved in 2017 a Budget Support programme on Justice aiming at strengthening the rule of law and the independence of the judiciary through a more professional Judicial Council, with an independent budget and increased autonomy.

In Lebanon, the EU dedicated significant efforts to tackle the human rights situation and worked for example at improving detention conditions and access to services in Tripoli's main prison, with a focus on victims of torture and ill-treatment.

In Palestine, the project 'Institutional Strengthening of the High Judicial Council in Palestine' supported the preparation of a new organisational structure for the High Judicial Council, including the re-organisation of court administration to separate judicial and court administration tasks.

In Tunisia, the EU approved the programme *Réforme de la Justice PARJ3*, with a view to continue the support to the process of reform of the justice system.

The EU continued to support the rule of law reforms in Morocco in 2017 through a first Budget Support operation in this area. The EU also provided support through the Council of Europe and a twinning.

Partnership

The EU remained strongly committed to support civil society in the Southern Neighbourhood, despite the restrictions on civil society actions and the shrinking space for civil society actors in several partner countries. In Jordan for example, actions focused on the promotion of political participation, advocacy, human rights, democracy, and parliamentary monitoring. In Palestine, the EU signed a three-year EUR 1.2 million contract with four civil society platforms in December 2017. In Tunisia, the EU approved a EUR 20 million programme to support civil society and independent entities (PASC2).

3.5.2.4. Implementation

Bilateral cooperation including budget support

In Morocco, 2017 was the last year of implementation for both the Action Plan and the Single Support Framework 2014-2017. In the context of the European Court of Justice ruling of 10

December 2015 on the EU-Morocco agreement providing for the reciprocal liberalisation of trade in agricultural and fisheries products, the EU and Morocco negotiated an agreement in the form of an exchange of letters on the modification of Protocols I and IV to the Association Agreement in view of reviving our partnership. In 2017, new programmes focused on key reforms in public administration, public finance management, justice, energy and the approximation of norms, and socio-economic development for employment and support to SMEs. In addition, the EU adopted new financial commitments promoting social inclusion, social protection, gender and literacy.

Algeria and the EU carried out an assessment of the implementation of the Association Agreement and endorsed Partnership Priorities in March 2017. Two new programmes were financed in 2017 on the development of value-chains in the agriculture sector and on the preservation and valorisation of Algeria's cultural heritage. In parallel the Programme in support of the Association Agreement provided flexible institutional building support, inter alia through twinning projects. Cooperation is ongoing with the World Bank to support the Algerian government in setting up a vision for 2030 focused on the diversification of the economy.

In Tunisia, the EU delivered on the commitments of the 2016 Joint Communication¹⁰⁸ with EUR 300 million of new bilateral commitments. The partnership continued to be particularly active in the fields of security and the fight against terrorism, justice reform, youth (in 2017 the implementation of the EU-Tunisia Partnership for Youth started), research and culture (Tunisia's accession to Creative Europe), human rights, governance and cooperation with civil society (regular tripartite dialogues). The new 2017-2020 SFF focuses on socio-economic development and on strengthening democracy. Discussions on Partnership Priorities were initiated in October 2017.

In Egypt, the EU engaged in and promoted dialogues on energy and migration. A new 2017-2020 SSF was adopted, which focuses on economic modernisation, energy and environment, social development and protection, governance and support to democracy. New programmes launched in 2017 included efforts to tackle rural development challenges, create jobs and inclusive growth, work on Egypt's rapid population growth, reforms in the sectors of renewable energy and water and new initiatives in the field of accountability and democratic governance. The EU approved a significant package of projects worth EUR 60 million to help tackle migration challenges, following extensive negotiations with Egyptian partners.

In Palestine¹⁰⁹, the EU continued to act as a reliable and predictable donor, by supporting Palestinian refugees through contributions to UNRWA and by maintaining its direct financial support to the Palestinian Authority through the *Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique* (PEGASE mechanism)¹¹⁰, which also catalyses contributions from many Member States. PEGASE maintains the viability of the two-state solution by avoiding the fiscal collapse of the Palestinian Authority and sustains the provision of key services thereby contributing to the overall stabilisation of the Palestinian communities in the West Bank and Gaza through preserving basic living conditions. The result-oriented approach of PEGASE is also encouraging the Palestinian

¹⁰⁸ EU-Tunisia Joint Communication *Strengthening EU Support for Tunisia*, JOIN(2016) 47 final, 29.9.2016

¹⁰⁹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

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http://eeas.europa.eu/archives/delegations/westbank/eu_westbank/tech_financial_cooperation/index_en.htm

Authority to further engage in policy reforms with jointly defined targets whose achievement lead to the disbursement of conditional payment tranches. Discussions continued on the possibility to establish Partnership Priorities with Palestine.

In 2017, Israel, a developed OECD country, has benefited from a EUR 1.8 million budget for Institutional Twinning.

In Lebanon, the 2017-2020 Single Support Framework aims to contribute to the stabilisation of the country through the promotion of job creation, local governance, security and the rule of law. In 2017, new programmes focused on solid waste management, local development, and support to elections, anti-corruption and gender. Commission services launched efforts to ensure the EU can maximise funds available to meet Lebanon's considerable needs, hosting meetings between Lebanese authorities and the European Financial Institutions and relevant follow ups to promote the use of concessional financing.

In Jordan, the 2017-2020 Single Support Framework focuses on economic and social development, rule of law, border management and the prevention of violent extremism. New programmes were adopted in 2017 in the field of justice sector reform, social protection and private sector development. In addition, Commission services committed significant funds through the EU regional Trust Fund in Response to the Syria Crisis and via its contribution to the Global Concessional Financing Facility. The EU worked to promote efforts to boost economic growth and job creation for Jordanians and refugees alike, in Jordan, via the organisation of a Conference on the Rules of Origin deal and via related work on labour market issues.

In Syria, actions were constantly adjusted in line with events on the ground, and parameters for work inside Syria were established at the Commissioners' Group on External Action in 2017. Engagement focused on the following sectors: education (including vocational training and protection of cultural heritage), early recovery and livelihoods, health, local governance in opposition-held areas, support to civil society and dialogue, human rights and transitional justice.

In parallel, EU's non-humanitarian aid to respond to the Syrian crisis is channelled through the EU Regional Trust Fund in Response to the Syria Crisis to help the Syrian refugees in the region addressing their long-term economic, educational and social needs. The actions contribute to alleviate the burden of the crisis on Syria's neighbouring countries, particularly, Lebanon, Jordan, Turkey and Iraq. In 2017, the EU Regional Trust Fund in Response to the Syria Crisis contracted EUR 528 million with partners including international organisations, NGOs and governments.

In Libya, the EU focused on reactivating projects previously suspended, to support the Government of National Accord and to contribute to improving the living conditions of Libyans and migrants stranded there. Despite the volatile and fragmented Libyan political scene, a policy dialogue on cooperation issues continued in order to better define the needs and possibilities to expand our bilateral assistance. In parallel, the portfolio of projects significantly increased in the sector of migration, mainly funded by the EUTF for Africa-North of Africa window reaching EUR 162 million by the end of 2017.

Regional cooperation

In 2017, the EU continued to promote regional cooperation in the Southern Neighbourhood through sector policy dialogue, in partnership with regional organisations such as the Union for the Mediterranean (UfM), the League of Arab States, the Anna Lindh Foundation and the Council of Europe, as well as through financial support, notably regional programmes in the fields of security, economic governance, energy/climate change and civil society.

Three UfM ministerial meetings were held in 2017 on Water, Sustainable Urban Development and Women as well as a Regional Forum at Foreign Minister level which focussed on Youth, contributing to increased synergies between regional and bilateral cooperation, with a clear focus on job creation and youth.

The Civil Society Forum for the Neighbourhood South confirmed itself as a credible and inclusive dialogue platform between civil society, EU institutions and regional entities, to exchange and debate on the regional policy agenda. The new Civil Society 'Hub for Dialogue' will increase the ownership of this constructive process by civil society organisations themselves. Support also continued to the Anna Lindh Foundation to promote intercultural dialogue and aims at reaching out to young people in the South, but also increasingly in Europe through the Young Med-Voices initiative.

The 2017 regional programmes, complementing bilateral actions, addressed major common priorities, namely job creation and inclusive growth through support to social economy and enhanced business linkages, as well as political inclusion, particularly for youth, along with cooperation on security. In the areas of mobility, education and youth, cooperation through the Erasmus+ programme has continued in the region including university staff and student exchanges (393 new mobility projects selected in 2017 planning the mobility of 9 170 students and staff from/to South Mediterranean countries), capacity building projects in higher education (37 new projects selected), youth exchanges (3 880 young people and youth worker exchanges supported in 2017) and policy dialogue. Tunisia and Jordan joined the eTwinning Action in 2017 (virtual exchanges between schools). The European Commission also continued to support the implementation of the Regional Transport Action Plan 2014-2020 for the Mediterranean region with projects promoting regulatory convergence and increased safety for road, rail, maritime and air transport.

As a regional contribution under the NIP, the EU used blending to strengthen the export potential in Mediterranean partner countries. The new facilities for value chain financing with EIB and EBRD were expanded to Egypt and Jordan, while the EBRD started the implementation of actions to enhance trade competitiveness in Morocco and Tunisia.

In the 4th Union for the Mediterranean (UfM) Ministerial Conference on Strengthening the Role of Women in Society, held in Cairo on 27 November 2017, the UfM Ministers adopted a Declaration that includes an Action Plan to women empowerment in the Euro-Mediterranean region, including recommendations to advance women's participation in decision making in the field of peace and security, as well as prevention and resolution of social conflicts, violence and extremism.

3.6. OCTs

The Overseas Association Decision¹¹¹ (OAD) establishes the legal framework for the relations between the Overseas Countries and Territories (OCTs)¹¹², the Member States to which they are linked, and the European Union. On the basis of the Treaty on the Functioning of the European Union¹¹³ (TFEU), the purpose of the Overseas Association Decision is to support the sustainable development of the OCTs and promote the values of the EU in the wider world.

The EU provides financial support to the OCTs in the context of the association mainly through the European Development Fund, with an amount of EUR 364.5 million allocated under the 11th EDF-OCT for the 2014-2020 programming period¹¹⁴. Furthermore, Greenland is funded directly by the EU general budget based on the 'Greenland Decision'¹¹⁵, allocating EUR 217.8 million for the period 2014-2020 to cooperation in an area of mutual interest.

The 11th EDF-OCT resources available to the OCTs are split into the following allocations, based on Annex 2 of the Overseas Association Decision: EUR 229.5 million for territorial (bilateral) allocations; EUR 100 million for regional cooperation and integration; EUR 21.5 million in Envelope-B to finance humanitarian and emergency assistance, or assistance for fluctuations in export earnings; EUR five million to finance interest subsidies and technical assistance through the EIB's OCT Investment Facility; and EUR 8.5 million for studies and technical assistance in accordance with Article 81 of the OAD.

In accordance with the criteria established in the OAD, 16 OCTs are considered eligible for a territorial allocation under the 11th EDF-OCT¹¹⁶.

Regional programmes seek to foster cooperation among OCTs in the same region and sharing a similar set of challenges and priorities. Actions financed under the regional allocation support the elaboration and implementation of comprehensive regional programmes and projects for addressing these challenges. Partnerships with other funding sources, including other EU financial instruments, through cooperation with the neighbouring ACP and/or third countries, as well as the EU's outermost regions, are actively encouraged.

Implementation

Part Four of the OAD establishes a programming process which is specific to OCTs. Unlike countries of the African Caribbean Pacific group (ACP), programming is not based on National Indicative

¹¹¹ Council Decision 2013/755/EU on the Association of the Overseas Countries and Territories with the European Union (OJ L 344/1)

¹¹² The EU's Overseas Countries and Territories are Greenland, New Caledonia and Dependencies, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Saint Pierre and Miquelon, Saint-Barthélemy, Aruba, Bonaire, Curaçao, Saba, Sint Eustatius, Sint Maarten, Anguilla, Cayman Islands, Falkland Islands, South Georgia and the South Sandwich Islands, Montserrat, Pitcairn, Saint Helena and Dependencies, British Antarctic Territory, British Indian Ocean Territory, Turks and Caicos Islands, British Virgin Islands, Bermuda.

¹¹³ Part Four of the Treaty on the Functioning of the European Union, (C 326/47), 26.10.2012

¹¹⁴ Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (L210/1).

¹¹⁵ Council Decision 2014/137/EU on relations between the EU on the one hand and Greenland and the Kingdom of Denmark on the other (OJ L76/1), allocates EUR 217.8 million for the period 2014-2020 to cooperation between the Union and Greenland in an area of mutual interest.

Programmes but organised around a one-step process, the elaboration of a Programming Document, which has two components: the EU response strategy (Part A) and, the Action Document (Part B).

Only one formal European Commission decision is taken to approve OCT Programming Documents, covering both the strategic orientations and the detailed programme design. OCTs maintain the primary responsibility for the establishment of Programming Documents, including the priorities upon which their strategies are based and ensuring the necessary local consultation.

The programming exercise for the 11th EDF for OCTs was launched in late 2013. The Commission presented the indicative financial allocations and programming instructions and launched an extensive consultation process to agree potential focal sectors of cooperation. This included discussions at the OCT-EU Forum at the political level, regional OCT conferences in the Pacific Ocean and the Caribbean and several tripartite meetings.

Proposals for sectorial priorities have now been made for all territorial and regional programmes. The proposed concentration sectors for the territorial allocations are markedly grouped around key themes, which broadly include: environmental issues, climate change and disaster risk reduction (accounting for four of the 16 OCTs with indicative territorial allocations); youth, education, training, health, employment and social policy training (accounting five out of 16 OCTs); tourism (accounting for three out of 16 OCTs); and accessibility (accounting for three out of 16 OCTs).

For Greenland, the Programming Document for 2014-2020 was signed in October 2014, defining education as the focal sector. The implementation of the programme is on-going, through annual sector reform contracts.

These priorities align to the aim of sustainable development, thus addressing the three pillars of development (economic development, social development and environmental protection) as outlined in the objectives of the Overseas Association Decision.

In terms of implementation, budget support has been proposed by most OCTs, representing a shift away from the project modality previously used in Curaçao, French Polynesia, Sint Eustatius and Wallis and Futuna. In all cases, an assessment of the eligibility criteria relating to the use of the budget support modality has been carried out by the Commission.

In 2017, the 11th EDF Programming Documents for the following OCTs were adopted: New Caledonia (EUR 21.50 million) for employment and professional inclusion, Falkland Islands (EUR 5.9 million) for connectivity and accessibility, Anguilla (EUR 14.05 million) for education, French Polynesia (EUR 29.95 million) for tourism, Pitcairn (EUR 2.40 million) for tourism, and Wallis and Futuna Islands (EUR 19.60 million) for digital development.

In September 2017, two Category 5 Hurricanes impacted several Caribbean OCTs, bringing life-threatening winds (300 km/h), storm surges and heavy rainfall, resulting in widespread damage to housing and basic infrastructure. The most severely affected OCTs were Anguilla, Sint Maarten, Turks and Caicos Islands, Saint Barthélemy and the British Virgin Islands. Montserrat, Saba, and Sint Eustatius were also damaged.

Commission services worked actively together with OCT authorities to ensure that 11th EDF territorial and regional programmes are adjusted to address the post-hurricane situation in the OCTs and to support them in their efforts to become more resilient. In addition, mobilisation of the non-

allocated Envelope- B (EUR 21.5 million) under the 11th EDF are being assessed as requests have been put forward by the most affected OCTs.

Moreover, a new horizontal component on resilience will be added under the framework of the 11th EDF Caribbean Regional Programme (EUR 40 million) to support long term resilience building in the OCTs, in line with the European Consensus on Development which underlines the commitment to build resilience.

The second tranche of financial support to Saint-Pierre-et-Miquelon under the 11th EDF was paid in 2017 for a total of EUR six million. In addition, the first tranches for the 11th EDF budget support programmes were paid to Turks and Caicos Islands (EUR four million), Anguilla (EUR 3.6 million), New Caledonia (EUR 5.76 million) and Saba (EUR 1.9 million). In 2017, Greenland benefitted from payments of EUR 29.9 million under the 2014-2020 programme.

During 2017, implementation of 10th EDF activities in some OCTs was on-going, reflected in payments of EUR 14.6 million. These benefitted Falkland Islands, Saint-Pierre-et-Miquelon, French Polynesia, Wallis and Futuna, Turks and Caicos islands, Pitcairn, Curaçao, Saba, Mayotte¹¹⁷ as well as regional programmes in the Caribbean and Pacific Ocean and thematic programmes covering all OCT's globally.

¹¹⁷ Mayotte as a former OCT (now Outermost Region) receives funding under the 10th EDF.

4. MANAGING AID

4.1. Monitoring Systems

4.1.1. Evaluation: review of the work programme

Commission evaluation services are responsible for the steering, coordination, monitoring and reporting of the evaluation function. They produce timely, high-quality evaluation results for decision-making and accountability. They manage strategic evaluations which can be geographic, thematic, sector, instruments and budget support evaluations. They also monitor and support the evaluations done by other services which oversee project and programme evaluations. As such in 2017 an evaluation support services (ESS) was set up by Commission services to support EU delegations and headquarters services by providing on demand advice and support on any aspects related to evaluation.

In 2017, the evaluation services finalised 18 strategic evaluations. This included 10 evaluations of the External Financing Instruments and a Coherence Report; eight thematic/instruments evaluations on: higher education, resilience to withstand food crises, blending of grants and loans, delegated cooperation, Joint Programming process, IPA cross border cooperation, economic governance, and small and medium enterprises (SME) competitiveness; two evaluations of budget support in Ghana and Paraguay and a country level evaluation in Pakistan.

At the end of 2017 the following evaluations were on-going: four regional level evaluations in West Africa, Central Africa, Eastern and Southern Africa and Latin America; six thematic evaluations on sustainable energy, social protection, policy coherence for development, public administration reform, the sector approach under IPA II and security sector reform; six country level evaluations in Afghanistan, Nicaragua, Myanmar and Ivory Coast, Croatia and Azerbaijan; and three budget support evaluations in Cambodia, Peru and El Salvador.

The section below presents a brief summary of each evaluation finalised in 2017.

Summary of evaluations

Instruments and thematic evaluations

Evaluations of the External Financing Instruments

The Commission presented in 2017 a mid-term review report on External Financing Instruments to the European Parliament and to the Council. External evaluations have been conducted for each instrument¹¹⁸ and for the Common Implementation Regulation with a view to feed into this mid-term review exercise. A coherence report, drawing on the findings of all these evaluations has also been done. The evaluations show that the instruments are at this time generally fit for purpose and do not require any drastic change as part of the mid-term review. However, the mid-term review suggests that for the upcoming multi-annual financial framework the architecture of instruments should be

¹¹⁸ The Multiannual Financial Framework includes the following EFIs: the Development Co-operation Instrument (DCI), the European Instrument for Democracy and Human Rights (EIDHR), the European Neighbourhood Instrument (ENI), the Greenland Decision (GD), the Instrument contributing to Stability and Peace (IcSP), the Instrument for Pre-Accession Assistance (IPA), the Instrument for Nuclear Safety and Co-operation (INSC), and the Partnership Instrument (PI). The European Development Fund (EDF) is another major EFI but is funded from outside the EU budget.

rethought, to streamline and simplify, enhance flexibility, reduce gaps and overlaps between instruments and provide more focus on results.

Evaluation of EU joint programming process of development cooperation (2011-2015)

The evaluation covers all the regions where joint programming was considered (55 countries as of the end of 2015). The evaluation concludes that the joint programming (JP) process has proven to be a very valuable experience for the EU and Member States in most of countries studied. Joint programming contributed to a better coordinated and more strategic EU aid and enhanced the visibility of both Member States and the EU. However, some of the ambitions of joint programming, such as. reduced aid fragmentation, increased transparency and reduced transaction costs, are yet to be achieved; and there is a need to improve country ownership of the joint programming process.

Evaluation of the EU aid delivery mechanism of delegated cooperation (2007-2014)

The scope of the evaluation covers 164 Delegated Agreements (EUR 1.3 billion) and 59 Transfer Agreements (EUR 291 million). It concludes that the contribution of delegated cooperation to improved aid effectiveness and efficiency has been limited. Its main success was on complementarity with Member States, in particular at sector level. The evaluation recommends that the objectives of delegated cooperation are redefined in line with the evolving aid effectiveness agenda. It should be more explicitly geared towards strengthening the partnership between the EU and the Member States and reinforcing the ownership of partner countries.

Evaluation of Blending (2007-2014)

The total amount effectively contracted for blending facilities reached EUR 1.7 billion over the period considered. The evaluation found that blending allowed the EU to engage more broadly and with strategic advantage, particularly in support of large infrastructure projects and for cooperating with countries in transition to medium income status. Blending of grants and loans enabled the EU to engage in countries, sectors and projects, which would have been mostly out of reach with grants alone. However, the instrument did not reach its full strategic potential and did not fully address the development challenges of lower income countries. While for most cases, the evaluation team was able to find a clear justification for the use of the grant, there were also a significant number of projects where this was not obvious, suggesting that more attention is needed in the future to ensure that the blending grant adds clear value. The evaluation also recommends sharpening the alignment with national policies and to place greater focus on job creation and poverty alleviation.

Evaluation of EU development cooperation support to higher education in partner countries (2007-2014)

The evaluation covers six higher education (HE) programmes in partner countries which amounted to EUR 1.5 billion. It concludes that EU support for HE was relevant and effective in adapting higher education schemes to labour market needs, in promoting reform in educational systems in the partner countries and in reinforcing intra-regional cooperation between institutions. As such, it improved employment opportunities for graduates. The added value of the EU support and the prospect for sustainability are high. However, the formulation of the strategic approach and coordination with partner countries can be improved. Finally, more needs to be done to increase inclusiveness.

Evaluation of the EU approach to building resilience to withstand food crises in African Drylands (Sahel and Horn of Africa) 2007-2015.

The relevant funds committed amounted to around EUR five billion. The evaluation concluded that the EU approach was well adapted to weather-related or economic shocks but less so in fragile states. The EU approach prompted a strategic shift between Commission services and triggered better and more systematic analyses although there is room to further improve inter-service collaboration. The combinations of country programmes and thematic instruments were improved. The main recommendations include tailoring the approach to different contexts, strengthening collaborative inter-service practice and strengthening monitoring and evaluation.

Evaluation of IPA Cross Border Co-operation Programmes (2007-2013)

The evaluation examined the performance of the Instrument of Pre-accession Assistance 2007-2013 (IPA I) in financing cross-border cooperation (CBC) among the seven countries of the Western Balkans through 11 programmes (EUR 100 million). The report found that the CBC programmes emphasised sustainable socio-economic development and reflecting well the challenges faced by border communities. However, the wide scope of funding priorities and project selection, and weak synergies with other initiatives, diluted the effect of the programmes. It was not possible to measure rigorously the combined programme outcomes and impact in the absence of effective monitoring and reporting systems. As a pioneering initiative, however, CBC under IPA I helped promote good neighbourly relations between the participating countries and contributed to the socio-economic development of border areas, which would not have happened without EU support.

Evaluation on support to SME Competitiveness in Enlargement and Neighbourhood Countries (2010-2015)

The evaluation covered three regional programmes and eleven country national programmes for Private Sector Development and Competitiveness (budget EUR 1.7 billion). The evaluation concluded that the relevance of EU assistance in this sector is high, overall there is a satisfactory efficiency of project implementation and the programmes are largely effective despite the inadequate support by national authorities.

Evaluation on support to Economic Governance in Enlargement and Neighbourhood Countries

The evaluation on economic governance in the ENI region considered the much more diverse national contexts due to the Arab Spring and conflict areas affecting both ENI South and East. Despite significant processes of political transition, external shocks and conflicts in some of the observed countries, the interventions reveal themselves as efficient and effective.

Country evaluations

Joint Evaluation of Budget Support to Ghana (2005-2015)

This evaluation covers all budget support operations with disbursements made between 2005 and 2015. Over this period development partners have provided about USD 3.4 billion in general budget support and USD one billion in sectoral budget support. The evaluation was jointly managed by the evaluation services of the Commission, Denmark, France, Germany and the World Bank. Overall, budget support played a moderate but not negligible role in Ghana's considerable achievements in reducing both monetary and non-monetary poverty. The mix of inputs contributed to substantially increasing access to basic services. The evaluation recommends that the future co-operation

framework should entail a core component on economic governance (including transparency and accountability) and strong sector partnerships aiming at developing coherent strategic frameworks.

Evaluation of Budget Support in Paraguay (2006-2014)

The evaluation covers all budget support operations of the EU in Paraguay during the period 2006-2014. It concerns three budget support programmes with total disbursements of EUR 111 million. The evaluation concludes that the three programmes have positively contributed to the development of social sectors and to social welfare, and to poverty reduction. Policy dialogue was a main contributing factor to these achievements at sectoral level. However, the effect of policy dialogue to strengthen public financial management was moderate. The evaluation recommends to make policy dialogue more strategic and analytical and to better define variable tranche indicators.

Evaluation of European Union's cooperation with the Islamic Republic of Pakistan (2007-2014)

The EU strategy in Pakistan was found highly relevant and aligned to the population's needs and to Government policies. The EU's soft approach allowed it to be appreciated as a 'neutral' partner by national stakeholders, and its combination of financial (EUR 520 million over 2007 - 2014) and significant non-financial cooperation (notably through the high-level political and strategic dialogue held in EU-Pakistan Joint Commission) to 'punch above its weight'. Interventions contributed to institutional improvements and reforms and targeted the most deprived geographic areas and the most vulnerable populations. Sector budget support was relevant and timely and provided in a very pragmatic way. Gender was mainstreamed in the programme with significant results; however, no evidence of spill over could be noted. The evaluation recommends pursuing efforts to address the demand and supply sides of sector policies, refining the EU's logic of intervention in human rights and rule of law, consolidate achievement of past and ongoing interventions, and further mainstream gender and environment at all levels.

4.1.2. Lessons learned

This section provides key emerging lessons from some of the evaluations of EU Cooperation finalised in 2017 by Commission Services.

Evaluations of the external financing instruments

Effective delivery capacity of the external financing instruments (EFIs) was enhanced by a number of factors, including targeting of resources where they are needed most, but was at the same time hampered by recurrent implementation weaknesses such as limited political steering, disagreements with partner countries, flexibility and capacity issues.

The strategic relevance of the thematic instruments is underlined in the evaluations, in particular their ability to act without the explicit consent of the partner country if required, such as engaging in crisis response, human rights and democratisation in a deteriorating context and promoting EU interests and global actions on public goods, including climate change.

It has proven difficult to assess the contribution of the EFIs to their high-level (and long-term) objectives. This is firstly because of the high level and long-term nature of the objectives such as poverty eradication, secondly because at the time of the mid-term review several instruments were

only just starting their implementation, and thirdly, because many other factors influence the achievement of these objectives.

The EU's role in promoting fundamental values (human rights, democracy, and rule of law) was sometimes met with resistance, especially in the context of shrinking space for civil society organisations. Coherence between the instruments was at times lacking with several instruments sometimes active in a given sector. In the context of multiple crises and conflicts in recent years, the EU's ability to respond rapidly to such unforeseen events grew in importance.

Evaluation of joint programming

Three structural dimensions appeared to be important for the success of joint programming: firstly, the Member States strategic interests in the country; secondly the individual commitment and effort, largely from the EU Delegations; and thirdly the interest and support of Partner Country authorities. Major success stories have occurred in countries where Partner Countries have been either directly supportive or at least permissive when it comes to the joint programming exercise.

Thematic evaluations of economic governance and SME competitiveness

According to the two evaluations, EU interventions were adapted to the variety of partners' contexts and this was key to their success. Addressing structural issues, such as building state institutions' capacity, for example to enforce new laws, prior to others, maximised the sustainability of EU support. CSOs' involvement was also key in this regard. The use of a combination of implementation modalities (TA service contracts, twinning, grant contracts, etc.) enabled the successful addressing of a variety of needs such as differences in institutions' level of maturity.

Evaluation of European Union's cooperation with the Islamic Republic of Pakistan (2007-2014)

Pakistan is a lower middle-income country affected by several factors of fragility including conflicts with both domestic and sub-regional roots and frequent natural disasters. In this context, the continuity of support to selected sectors, the complementarity and potential synergies between these sectors, the pragmatic use of modalities and management modes and the assimilation of lessons learned have been important factors sustaining the results achieved.

A key factor for success lies in the convergence of a bottom-up approach leading to social mobilisation of citizens and economic operators for better governmental services and institutions, and a top-down approach that improves the coverage, quality of and equitable access to front line public services. Supporting the first, notably through local non-governmental organisations, and the second, with sector budget support and/or complementary institutional technical assistance, proved to be an adequate approach. However even if progress has been realised, the evidence suggests that outcomes for final beneficiaries have not materialised much yet. This is because many interventions are still on-going, and they are not sufficiently involving other actors such as citizens and economic operators. Another finding is the importance to invest more in identifying promoters of democracy, inclusion and social cohesion by identifying initiatives that are strongly owned and benefit from strong commitment by national authorities and/or local civil society.

Evaluation of Budget Support in Paraguay (2006-2014)

In Paraguay, the evaluation of budget support showed that budget support generated valuable effects in a context where the weight of budget support over the overall government's budget was rather small (0.5 % of total expenditure on average over the period 2007-2014, and 1.4 % and 2.2 %

of the education and social programmes sectors respectively). Despite the limited volume of funds, the format chosen by the Government for the management and allocation of the funds from the EU budget support programmes had a significant impact on social expenditure and on the implementation of sectoral policies, permitting the protection of priority spending programmes and introducing additional incentives for the fulfilment of the pre-identified policy goals, which were captured in the indicators of budget support variable tranches. The evaluation also showed that budget support helped to generate a new relationship between the Ministries of Education and other relevant line Ministries and the Ministry of Finance during the process of budget preparation. It also highlighted that policy dialogue achieved the greatest influence on the strengthening of the design and implementation of policies in the education and social protection sectors but its influence on the strengthening of public finance management systems was more moderate, partly because the dialogue was not strategic enough and partly because the Government's will to progress in this area was weaker.

Joint Evaluation of Budget Support to Ghana (2005-2015)

During the first part of the evaluation period, Ghana significantly improved its fiscal space and generally positive economic outlook. However, in the second part, there was a serious deterioration of the macroeconomic situation. In 2013-2014, most development partners decided to suspend budget support because of this deterioration and serious concerns regarding PFM. As a result, the multi donors' budget support partnership broke down. Only a few development partners decided to continue providing budget support.

In this context, the evaluation showed how budget support contributed to the speeding up of the fight against poverty in a country already enjoying strong economic growth and debt relief, by allowing for a further expansion in discretionary expenditure and by creating numerous opportunities to enhance policy formulation and the capacity development of key public entities. Budget support dialogue and the considerable accompanying technical support have also supported the country in its transition towards a middle-income oil-producing economy, which helped sustain growth in the second half of the period.

However, the full use of the opportunities created by budget support has been prevented by the deterioration in the macroeconomic environment, the complex political economy prevailing at various institutional levels and the weakening of the partnership around budget support and, more generally, development aid. In the second half of the evaluation period, sector budget support's 'ring-fenced' funds proved to be a highly-needed source in times of tight budget constraints.

On the development partners' side, there has been a growing feeling that, with the country's access to the middle-income country status and the subsequent decreasing availability of official development assistance, less could be achieved via budget support. However even when the partnership weakened considerably and even if policy dialogue could not prevent a serious deterioration of Ghana's macroeconomic situation, it contributed, including through the suspension of budget support disbursements, to the return to the path of stabilisation.

4.2. Aid delivery modalities

4.2.1. Budget support, Public finance management / Domestic Revenue Mobilisation

Budget support remained an important instrument in the architecture of European external action; in 2017 it was used in 91 countries or territories and represents some 35-40 % EU bilateral ODA.

The new European Consensus on Development signed in 2017 also reaffirms that Budget support will be applied consistently with the principles of development effectiveness and where the conditions are right and effective governance control systems are in place. Budget support supports structural reform processes and continues to be accompanied by capacity development, knowledge and expertise transfers. It complements partner countries' efforts to collect more and spend better in support of sustainable development, and to promote inclusive growth and job creation, poverty eradication, inequality reduction and peaceful societies.

In terms of sustainable results and over a longer timeline, countries using budget support fare visibly better than those without.

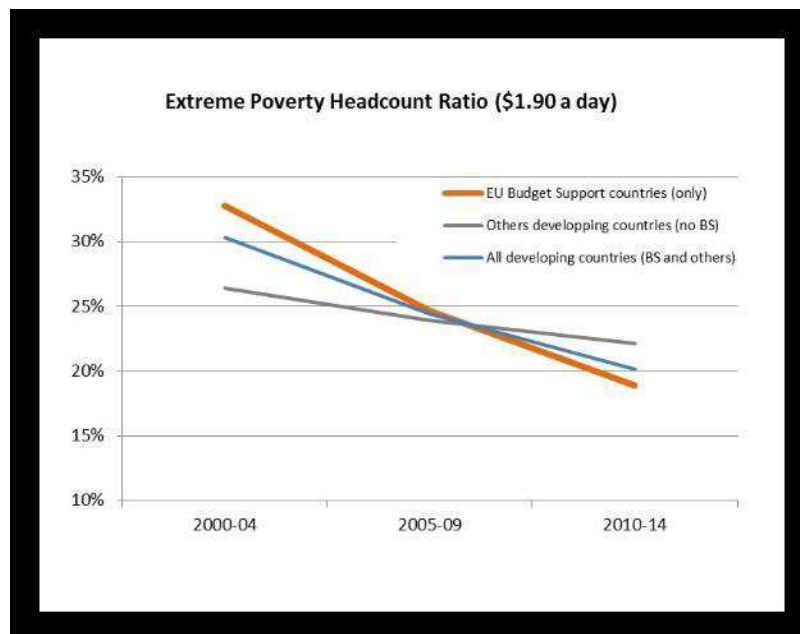


Figure 5. Extreme poverty headcount 2000 to 2014

Extreme poverty decreases over the 10-year period from 33 % to 19 % in countries using EU budget support (see Figure 5); this decrease is larger than in countries not using budget support, or than the average of all developing countries.

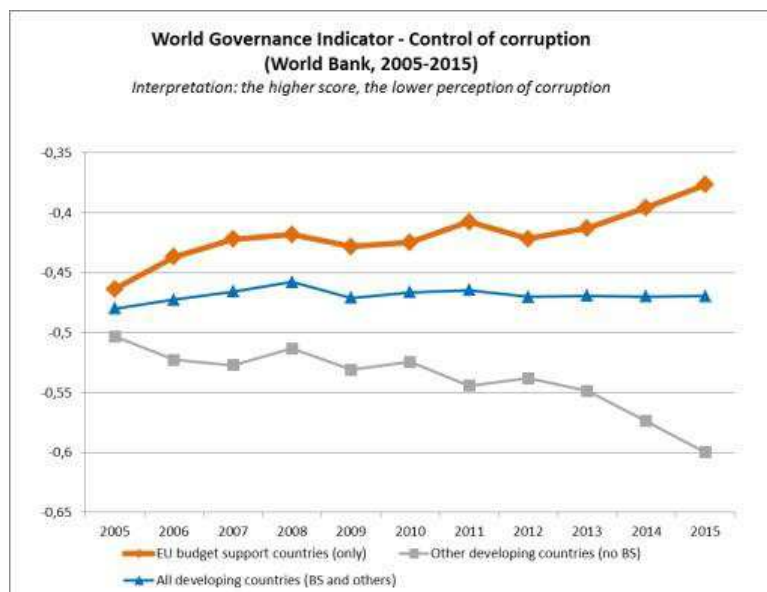


Figure 6. World Governance Indicator – Control of Corruption 2005 to 2015

Concerns related to corruption in the partner countries are consistently taken into account. Budget support accompanies partner countries' active policies in the fight against corruption and fraud, including the strengthening of an independent external audit body, adequate internal control mechanisms and judicial capacity and transparency. Corruption and fraud risks are monitored regularly. As measured through the World Bank's World governance indicator, the Control of Corruption has improved markedly in countries using budget support, whereas it has equally clearly declined in countries not using this modality (see Figure 6).

Similar results are observed under specific sectors receiving budget support, as well as in terms of cross-cutting issues, such as public finance management. In 2017, the Commission has stepped up efforts to communicate these results, both within the EU and in the partner countries. In 2017 a total of EUR 1.6 billion was newly committed and over EUR 1.8 billion paid through budget support. Sector Reform Performance Contracts remain the most used contracts (74 % of total portfolio), followed by State and Resilience Building Contracts (16 %) and other types of general budget support contracts (10 %). State and Resilience Building Contracts (SRBCs) continue to be useful in stabilising post-conflict and fragile situations, with new SRBCs initiated in Gambia, Sierra Leone, Central African Republic, Liberia, Guinea and Haiti. More than any other type of contracts, SRBCs aim to support partner countries in ensuring vital state functions can deliver basic services to populations, thus contributing to addressing the causes of fragility and to promoting stability and state-building. The new SDGs Contract, introduced by the updated Budget Support Guidelines, are expected to play an important role in supporting the SDGs in countries where conditions allow.

Strategic guidance is provided by the Budget Support Steering Committee and Financial Assistance Steering Committee which are senior management committees, to ensure better risk management and enhanced policy and political dialogue with countries receiving EU budget support.

Budget support in The Gambia

A window of opportunity for democracy in the Gambia opened following the change of regime early in 2017. The country was in a very tense situation regarding budget and debt, and the Commission decided to support the transition with a 'State building Contract'. This 2017 Contract of EUR 30

million allowed the country to rapidly mitigate its most urgent needs and stabilise the situation by providing most needed basic services.

Update of the EU Budget Support Guidelines

Commission services Budget Support Guidelines had been in use since 2012 and the adoption of the 2011 EU policy on budget support. The corresponding Enlargement Sector Budget Support Guidelines were approved in 2014. The 2017 update¹¹⁹ merged the two sets of guidelines and integrated the new political context (2030 Agenda for Sustainable Development, Addis Ababa Action Agenda on Financing for Development, new EU Consensus, European Neighbourhood and enlargement policies) as well as the lessons drawn from five years of practice. Recommendations by the European Court of Auditors, the European Parliament and the Council of the European Union were also integrated.

This 2017 update resulted into the following adjustments: the three types of EU budget support contracts have been refocused and renamed respectively Sustainable Development Goals Contract, Sector Reform Performance Contract, and State and Resilience Building Contract; guidance has been added to encompass new priorities (for example domestic revenue mobilisation and international tax governance, policy dialogue, economic resilience, reforms to improve investment climate, gender-budgeting, public administration reform, results-based monitoring, and communication on reforms and results); and reporting requirements for EU Delegations have been streamlined to focus on key aspects and better inform disbursement decisions, while supporting further policy dialogue with partner countries. The 2017 EU Budget Support Guidelines have been in force since October 2017.

Robust internal quality control and monitoring mechanisms ensure that budget support disbursements are carried out correctly.

In application of the 'Collect More – Spend Better' approach and the commitments announced for the Addis Tax Initiative, several Capacity Development Tools have been put in place. The Commission reinforced its dedicated support on domestic revenue mobilisation, notably through support to the Revenue mobilisation trust fund (EUR 10 million to enhance domestic revenue mobilisation by supporting the creation of efficient fiscal systems, to foster sustainable development and inclusive growth). The Commission also supported the fight against base erosion and profit shifting through the OECD Base Erosion and Profit Shifting (BEPS) Inclusive framework (EUR one million which tackles multinational enterprises' tax planning strategies exploiting gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations).

In addition, within the Strategic Partnership Framework with the IMF, the Commission co-organised and supported the 5th Africa Fiscal Forum in Yaoundé/Cameroun on 7-8 February 2017. The Forum under the heading 'Fiscal Policy under Stress' brought together senior officials from African Ministries of Finance. It provided a much-appreciated opportunity for engagement and for South-South peer learning on topical issues related to domestic revenue mobilisation and efficient spending to reach the SDGs. The EUs 'collect more-spend better' approach was recognised as a guiding thread for further action in fiscal policy.

In all cooperation contexts, there is a strong focus on public finance management (PFM) and public administration or policy reform programmes. In addition, partners are systematically accompanied

¹¹⁹ https://ec.europa.eu/europeaid/budget-support-guidelines_en

by capacity building. In addition, beneficiaries are supported with comprehensive diagnostics, providing a basis for reform strategies, monitoring progress and facilitating policy dialogue.

High-quality procurement promotes efficient spending and maximum value and impact for public goods and services and reduces corruption through enhanced transparency. The Commission supports the OECD/ World Bank Methodology for Assessing Procurement Systems (MAPS) providing a common tool for analysing strengths and weaknesses of public procurement systems. In the enlargement context, public procurement was thoroughly assessed by OECD/SIGMA as part of the 2017 assessments against the Principles of Public Administration.

The Public Expenditure and Financial Accountability (PEFA) assessment continues to be the core diagnostic tool for public finance management, preparing dialogue and reform. In 2017, the Commission financed several PEFA assessments, which have developed into a global public good with 576 assessments undertaken in 150 countries. The Commission continued support with a EUR five million contribution to finance the PEFA Secretariat for the next five years (2017-2021), with a view to reinforce quality aspects, including the PEFA check modality, training, dissemination, database access and research on impact.

Budget support in the enlargement context

The mid-term evaluation of the IPA II in 2017 found that budget support, which was introduced in the enlargement context in 2015, has triggered more inclusive dialogue structures, greater results orientation and improvement of the monitoring systems. The reform progress reports by the beneficiaries demonstrate increasing capacity and constitute a tool for strengthening accountability and transparency, and for creating space for informed policy dialogue between the stakeholders.

4.2.2. Using EU grants strategically via blending

Blending combines EU grants with loans (or with equity) from other public and private financiers and helps to leverage additional public and private resources for sustainable economic development. Since first introduced at the beginning of the Multiannual Financial Framework (MFF) 2007-2013, blending has gradually evolved into an important tool of EU external cooperation, complementing other implementation modalities. EU regional blending facilities have been set up in all regions and other blending-supported projects such as Climate Investor One—an investment fund managed by the Dutch development bank FMO and aiming to deliver sustainable energy at affordable prices in emerging markets.

From the creation of the first EU blending facilities in 2007, approximately EUR five billion of EU grants have leveraged some EUR 40 billion of loans with a total investment volume in partner countries of approximately EUR 73 billion.

With the transformation of the Africa Investment Facility into the Africa Investment Platform in 2017, in the context of the External Investment Plan, operations in Sub-Saharan Africa grew in scale and shifted focus on a growing collaboration with private sector initiatives. Projects like Boost Africa, an initiative that uses a combination of investment tools, technical assistance and entrepreneur training to attract investors and develop an efficient entrepreneurial infrastructure, is just one example of the kinds of new projects the Commission is supporting in Africa.

In 2017, in the Neighbourhood region, EU grants totalling EUR 385 million supported projects with an expected investment volume of almost EUR four billion by European Financial Institutions alone, and with total investments well in excess of that figure.

In Sub-Saharan Africa, Asia, the Pacific, Latin America and the Caribbean, a total of approximately EUR 1.1 billion of EU grants supported projects with an expected investment volume of almost EUR 9.4 billion. This amounts to almost twice as much as 2016, an indication of the growing importance of blending. The lion's share of EU contributions went to Sub-Saharan Africa, implemented mainly through the Africa Investment Platform of the External Investment Plan, with approximately 80 % of funds, including thematic projects dedicated to the region. This focus on Sub-Saharan Africa reflects a policy emphasis on addressing some of the root causes of migration. Asia and Central Asia amounted to approximately 5 % of the total, 4.5 % was allocated to Latin America and the Caribbean, and the rest was shared among global thematic projects.

In 2017, the EU Platform for Blending in External Cooperation (EUBEC), which was launched following a request by Council and Parliament to further increase the effectiveness of EU assistance delivered through blending, continued its important work in the framework of Blending. EUBEC aims to provide guidance for the harmonisation of key principles regarding blending activities whilst allowing for differentiation by sectors and regions. It focuses on sectors where financial instruments can be most usefully deployed, within and across geographical regions, and it further strengthens the coherence of blending activities with EU policies.

4.2.3. European External Investment Plan

On 14 September 2016, the Commission put forward an ambitious External Investment Plan (EIP), including the creation of the European Fund for Sustainable Development (EFSD). The EIP will support smart and sustainable investments in partner countries in the European Neighbourhood and in Africa, and it will develop more effective Partnerships, beyond classical development assistance, by supporting innovative financing models implemented by partner financial institutions.

The EIP has been designed along the lines of the new European Consensus on Development, which intends to align EU development policy with the United Nations' 2030 SDG Agenda, the Addis Ababa Action Agenda on Development Finance and the Paris declaration on climate change. A key focus of EU External Policy will be Africa, where 18 million new jobs need to be created every year and where the EU will upscale its cooperation, by focusing on key engines of sustainable development. Sustainable investment needs to play an essential role in boosting jobs and growth in developing countries, bringing in more stability, Prosperity, Peace and improving living conditions and thereby addressing the root causes of migration.

Investment needs in many key sectors in Africa and the Neighbourhood are massive, including among others in the areas of energy, transport, social infrastructure, education, the digital agenda, sustainable use of natural resources, micro, small and medium enterprises, agriculture, as well as water and sanitation. Without specific support, private investments only go where conditions for profit are already in place, since the business community requests a certain level of guarantees such as protection from financial, legal or security risks. One of the key missions of the EIP will be therefore to de-risk and encourage investments in areas or sectors where they otherwise would not

go and to reach people they would otherwise not reach, as for example in fragile or conflict-affected countries. The primary engine to make that happen is an integrated approach to boost investments, with a focus on leveraging additional private and public resources for sustainable development. The proposed EIP is founded on three pillars.

Under pillar 1, the EFSD has been set up as a large platform for investment proposals, constituted by the well-known Neighbourhood and Africa Investment Blending Facilities and by a new EFSD Guarantee Fund as a key innovative element. In particular, the ambition under this new guarantee is to go beyond existing instruments, by supporting innovative financing models mobilising private sector resources. These three EFSD instruments, foreseen to mobilise EUR 4.1 billion from the EU budget, are expected to leverage more than EUR 44 billion of investments up to 2020.

This will be complemented under pillar 2 by technical support to help local authorities and companies develop bankable projects and to improve the regulatory and policy environment in partner countries.

Pillar 3 will focus on improving the investment climate, by supporting structural reforms and good governance, through policy dialogue and cooperation. A close link with the other two pillars is essential to stimulate investments and create jobs.

In 2017, the EIP started its implementation, following the entry into force of the EFSD regulation in September and the first meetings of the Strategic and Operational Boards. The Commission invited partner financial institutions to submit Proposed Investment Programmes within five 'Investment Windows' for the EFSD Guarantee, focusing on the following key sectors:

- Sustainable Energy and Connectivity
- Micro, Small and Medium Enterprises (MSMEs) Financing
- Sustainable Agriculture, Rural Entrepreneurs and Agroindustry
- Sustainable Cities
- Digital for Development

In addition, in 2017 the EU agreed to invest around EUR 900 million in Sub-Saharan Africa as part of the EIP blended finance operations. This will help leverage a total investment of around EUR 5.6 billion in 30 major projects led by partner financial institutions. Examples include the Boost Africa platform, the Climate Investor One finance facility, the construction of a hybrid power plant in Niger, a transmission line connecting Mozambique and Malawi, investments in agriculture in the rural areas of Senegal, as well as rehabilitation and upgrade of transport infrastructures in Mali, Madagascar, Zambia and other partner countries.

As part of EIP implementation, the EIP Secretariat has started programmes to provide guidance to EU Delegations on financing and structured dialogue with the private sector, using the dialogue platform 'Sustainable Business 4 for Africa (SB4A)'. Complementary actions have been designed for the period 2018-2020, including new and flexible Technical Assistance delivery mechanisms to help implement necessary legislative reforms or unblock regulatory barriers to investments.

4.3. Improving ways of working

4.3.1. Simplification of procedures

In 2017 the Commission continued with its actions on simplification of procedures in the field of international cooperation and development. The main focus lay on eliminating obstacles, increasing flexibility and obtaining simplification in the Commission's relation with International Organisations and Member State Agencies implementing EU financed external action.

New contractual template for financial instruments and revision of the Manual for contractual templates

In 2017, specific contractual templates for the implementation of financial instruments have been adopted by the Commission to be annexed to the existing Pillar Assessed Grant or Delegation Agreement (PAGoDA 2) template.

Main issues are related to accounting standards on financial reporting, negative interest and avoidance strategy. The new template also ensures the EU's policy in the fight against tax avoidance with a specific clause concerning non-cooperative jurisdictions. The new templates will facilitate contracting with Member States' finance institutions and development banks.

An updated version of the Manual for PAGoDA 2 templates was published in January 2017. The Manual provides guidance on the interpretation of the contractual provisions of the PAGoDA 2 template. The new version contains detailed explanations to further facilitate contracting with the EU for important implementing partners like international organisations and Member States' agencies.

Framework Administrative Arrangements

New framework administrative arrangements between the European Commission and development banks have been negotiated or reviewed in 2017, most notably with the African Development Bank and the European Bank for Reconstruction and Development. The signature of a framework administrative arrangement with an implementing partner entails a significant simplification for the negotiation and conclusion of all the subsequent contracts to be signed with such an entity, since it avoids lengthy and complex *ad hoc* discussions on horizontal and institutional issues at the moment of a concrete action. At the same time, it ensures consistency in accommodating the specificities of each main partner at a horizontal level.

Convergence exercise of internal guidance in procurement and grants:

In 2017, new opportunities have been explored for a greater convergence between the Practical guide to contractual procedures for external actions (PRAG) and the common rules as laid down in the *Vade Mecum* for grants and procurement for Commission services. This will in practice represent a simplification of existing rules and a rationalisation of Commission services' way of working and is dictated by the ongoing development of a dedicated IT-System on e-Grants and e-Procurement.

4.4. Communication & transparency

4.4.1 Communication

As this report shows, EU development cooperation continues to make a real difference to the lives of millions of people in our many partner countries around the world. Communicating the results and achievements of our programmes and projects is a critical part of this work: it strengthens our accountability towards citizens and contributes to maintaining a high level of support for the EU's policies and funding.

The Commission deepened its new approach to communicating on development in social media, through storytelling, co-curation of accounts, and a greater focus on young people, gender equality and partnerships.

The 11th edition of the European Development Days was held on 15-16 June 2017 in Brussels under the theme: "Investing in development". Dubbed by President Juncker 'the Davos of Development', the event attracted a total of 6 370 participants, with very strong VIP participation and high media interest. Ten web-streamed Kapusckinski development lectures were organised around the world, as well as a great number of events at the External Cooperation Information Point in Brussels. Four study visits for business associations to the enlargement region and 60 partnership events on the enlargement process with academia and think tanks from the Member States were organised. Special attention was given to youth, with a youth conference in the margins of the Western Balkans Six Summit in Paris in July.

Other **major events** such as the donor conferences for Syria (October) and (November), yielded strong media interest and coverage. These were supplemented by three press seminars and trips organised for journalists in 2017 ahead of the African Union – European Union summit and in Ghana to allow African and European journalists to gain first-hand experience of EU development projects and policies. EU journalists were also invited to one press trip on neighbourhood and enlargement policies, which resulted in significant amounts of media coverage for EU support in these areas.

4.4.2 Transparency

The Commission has continued to be an active supporter of the transparency and openness of aid by publishing timely, comprehensive and forward-looking data in line with the International Aid Transparency Initiative (IATI) standard and the OECD-DAC Creditor Reporting System and Forward Spending Survey. It has also remained an active member of the IATI Assembly. In 2017 several important measures were implemented to enhance the comprehensiveness and quality of the data published to IATI. It included an update from version 1.04 to version 2.02 of the standard, integration of EU Trust Funds data and project level results data, publication of better forecast data and links to tender documents, and better alignment between the IATI publication and OECD DAC reporting. To support the use of EU aid data, the aid transparency website of EU institutions and Member States 'EU Aid Explore' will be revamped.