Final minutes of main conclusions

478th Meeting of the EDF Committee
Brussels, 20 September 2016

CHAIRS of the meeting
Ms Carla MONTESI, Director DEVCO E (Development Coordination West and Central Africa), and Ms Jolita BUTKEVICIENE, Director DEVCO G (Development Coordination Latin America and Caribbean), for the point on the Caribbean

PARTICIPANTS to the meeting
DEVCO participants: Units C1, C2, C3, C5, D2, D3, E2, G1, R5
EEAS participants: Divisions AMERICAS.2, AFRICA.1 and 3, GLOBAL.5

NUMBER OF VALID VOTES

Total number of votes present (qualified majority: 721 votes out of 1000 from at least 15 Member States): 954 votes from 19 Member States
Member States present: BE, CZ, DE, EL, ES, FR, IT, LV, LU, HU, MT, NL, AT, PL, PT, SK, FI, SE and UK.
CZ arrived during the discussion on the replenishment of the Emergency Trust Fund.

RESULT of the meetings

The EDF Committee unanimously approved the following points on the agenda:
1- Annual Action Programme Part 1 in favour of Burkina Faso for an amount of EUR 99 million.
2- Annual Action Programme in favour of Senegal for an amount of EUR 30 million.
3- Annual Action Programme in favour of Ghana for an amount of EUR 10.5 million.

5. Individual measure in favour of West Africa (Contribution to the AfIF for Regional Infrastructures) for an amount of EUR 230 million.


7. Annual Action Programme in favour of the Caribbean region for an amount of EUR 17.7 million.


10. Individual Measure in favour of Ethiopia (Health sector reform Contract) for an amount of EUR 115 million.

12. Special Measure in response to food security in ACP countries (Pro-Resilience).

11. The Member States could not support the individual measure on the Gambia (Reinforced access of the most vulnerable populations to markets and socio-economic facilities through a feeder road rehabilitation programme): the Chair said that the Gambia will be discussed in COAFR as soon as possible and the measure was delayed to the next EDF.

13. Concerning the financial contribution of the European Union to the Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa, the Member States complained that the documents were sent very late and they had not sufficient time to analyse them\(^1\). The Chair accepted to give a three-week written procedure in order to get Member States' approval.

14. The decision amending the Commission Decision C(2015)5210 on the "Creation of the Africa Investment Facility" and creating the Africa Investment Platform had initially to be a point for opinion but the Member States complained of the delay\(^2\) with which the documents were sent to them and became a point for information.

There was a presentation on the EFSD Guarantee Fund related to the Africa Investment Platform.

The Commission presented the state-of-play on the 11\(^{th}\) EDF reserve.

**ITEMS ON THE AGENDA**

1. **APPROVAL OF THE AGENDA**

Several MS (DE, FR, BE, UK, ES, SE and PT) took the floor to propose the postponement of the decision transforming the Africa Investment Facility into the Africa Investment Platform.\(^2\)

---

\(^1\) After President's Juncker State of the Union.

\(^2\) After President's Juncker State of the Union.
Platform, since the standard deadlines for the transmission of document is of 21 days and MS had only six. It pointed out, however, that it was ready to approve the measure at the meeting. DE regretted not to see any long-term indicative planning at the meetings of the EDF, as provided for by the Rules of Procedure.

2. APPROVAL OF THE MINUTES OF THE 477th EDF COMMITTEE MEETING OF 12 JULY

The minutes were approved with a small modification requested by UK in writing ahead of the meeting.

3. FOR OPINION

A POINTS

1. BURKINA FASO

Result: unanimous positive opinion.

The Annual Action Programme (AAP) Part 1 in favour of Burkina Faso was approved without discussion.

2. SENEGAL

Result: unanimous positive opinion.

The AAP in favour of Senegal was approved without discussion.

3. GHANA

Result: unanimous positive opinion.

The AAP in favour of Ghana was approved without discussion.

4. TOGO

Result: unanimous positive opinion.

The AAP in favour of Togo was approved without discussion.

5. WEST AFRICA

Result: unanimous positive opinion.

The individual measure in favour of West Africa (Contribution to the AfIF for Regional Infrastructures) was approved without discussion.

6. SUPPORT MEASURES

Result: unanimous positive opinion.
The amendment to the Commission Decision C(2015)7158 under the 11th EDF financing the Study Facility (addition of modality of implementation) was approved without discussion.

**B POINTS**

### 7. CARIBBEAN

**Result:** unanimous positive opinion.

AT said that the document concerning the TAPSEC project (Technical Assistance Project for Sustainable Energy in the Caribbean) is good and that the partner found for implementation is a strong one, guaranteeing ownership and capacity-building; nonetheless, AT requested to amend the document to stress the important involvement of AT in the establishment of the Caribbean Renewable Energy and Energy Efficiency Centre (CREEE), which will be supported by the project. AT also advocated for a transparent and participative process with all stakeholders during implementation. UK also emphasized the need for local coordination. Concerning the IMF-CARTAC UK observed the demand-driven approach of the project and invited COM to ensure the necessary monitoring and coordination.

The Chair replied that there are unfortunately few MS on the ground but coordination is ensured with the key stakeholders, like the international organisations and CARICOM. When it comes to the monitoring of the CARTAC project, the Chair recalled that this is ensured by our Delegation in Barbados and some of the reforms promoted by CARTAC are also linked with the budget support operations in the region which have conditions that the partner countries have to fulfil.

### 8. NIGER

**Result:** unanimous positive opinion.

FR, IT and BE sent comments prior to the meeting and DEVCO answered to FR and IT via written comments.

IT expressed its full support to the programme and highlighted how it constitutes a perfect link between development and security. According to IT particular attention should be paid to the creation of jobs for young people; moreover, alternatives have to be offered in the border areas so that people do not engage in migrant transport. PL said that the high budget of the programme is justified but suggested preparing an exit strategy as Niger is too dependent on foreign aid. AT agreed with the focus on education for young people but called on COM to carry out a good monitoring, in order to see if the actions give the desired effects in solving the root causes of migration. The development effects of migration really need to be maximised. PT underlined the importance of good coordination.

The Chair replied that there is full coordination among the different instruments. COM has a global vision of the migration issue and uses all the financial instruments at its disposal in order to address the short, medium and long terms. COM added that the coordination exists also at sector level and for budget support there are monthly meetings. Monitoring is a key issue and is at the centre of EU's preoccupations. In Niger COM looks for resilience with a multi-sector approach. COM pointed out that Niger is the last country on the Human Development Index and even if the EU is supporting Niger in raising its domestic financial resources, Niger will still partially rely on external aid in the medium term for implementing its national development programs.
9. **Kenya**

**Result:** unanimous positive opinion.

COM confirmed to FR that the contract with the research institute excludes the possibility of funding Genetically Modified Organisms (GMOs). DE and FI expressed their satisfaction with the programme and with COM's written replies; SK stressed the importance of data disaggregation by sex (as done by FI in writing) and of the diversification of seed variety but wondered what will happen if the Economic Partnership Agreement (EPA) is not signed. NL drew the attention of COM to the role of civil society, especially in the judicial sector. IT said that it is positive that blending initiatives such as Agri-Fi are open to civil society actors.

COM reassured FI, SE and SK on the disaggregation by sex of the data for women and youth, explaining that it will adjust the text of the Action Documents accordingly. The programme can increase the competitiveness of the private sector but is not related to the signature of EPA.

10. **Ethiopia**

**Result:** unanimous positive opinion.

Although put by COM under the B points, the measure on Ethiopia was approved without discussion.

11. **Gambia**

**Result:** postponement.

COM introduced the measure recalling EU's concern for the human rights situation in the Gambia and underlined that the EU is engaged in an enhanced Article 8 political dialogue with the government. COM also stressed the difficulties faced by the population, the Gambia being one of the poorest countries in the world, and recalled no new EDF projects were adopted since 2012. The reserve of the 11th EDF was mobilised in order to help the population in tackling the food crisis that hit the country in 2015. COM underlined that the country has recently witnessed a significant increase in irregular migration flows to the EU, primarily to Italy, where more than 8,400 Gambians entered in 2015. Unemployment rate remains very high and poverty and the lack of opportunities drive the people to leave the country. The EU has adopted a global coherent approach which takes into account both the respect of the fundamental and essential elements of the Cotonou Agreement as well as the needs of an impoverished population. COM has fully respected the agreement reached at the 468th EDF on 15 September 2015 i.e. funds will not be channelled via the government; the action will be entirely implemented by the United Nations. The project will provide employment for the most vulnerable population in the poorest areas of the country, in particular for youth, which directly addresses the root causes of migration. In so doing, the action is expected to mitigate migration flows to the EU.

EEAS underlined that in the discussions in COAFR of 6 July on the Gambia, MS agreed not to activate article 96 at the current stage. Moreover, the role of COAFR and of the EDF Committee should be kept separate. The proposed programme tackles the root causes of migration. EEAS continuously engages with the Gambian authorities in order to voice the EU’s concerns and to push for improvements in the human rights area. Furthermore, the EU Delegation in Banjul regularly engages with the Gambian opposition. EEAS is preparing an
election expert mission for the presidential elections on 1 December, which will assess the electoral framework. Development funds are being channelled through Non-Governmental Organisations (NGOs) and international organisations and the government has well noted and regretted this in the last article 8 dialogue.

NL recognised the quality of the programme but said that the concern is too strong: MS need to discuss in COAFR before allowing any funding to the Gambia because there is the risk of giving a wrong signal. A positive funding decision could be perceived as support to the Gambian President ahead of the presidential elections. Furthermore, the human rights situation needs to be addressed in order to avoid rewarding the Gambian authorities. IT expressed support for the measure but FR joined the concern of NL and suggested waiting the presidential election of December before approving any programme. UK, DE, SE, FI and PL all agreed with NL and FR that there is the risk of sending a wrong message to the Gambian authorities and further discussion in COAFR is needed.

The Chair regretted to see that a debate belonging to COAFR was taking place in the EDF Committee and invited the Member States to keep the two organs separate. There is a problem of coherence that has to be solved: in this moment, the cooperation with the Gambia has been de facto interrupted but outside the framework of Cotonou and article 96. There has not been a political decision and MS have not stopped their cooperation with the Gambia. The Gambia is the third country of origin of migrants in Africa and the EU is letting the population become even poorer. According to the Chair, nothing will change after the discussion in COAFR, in fact nothing has changed since 2012. If approved, the project could anyway not change the decisions of the president. COM could transfer the money of the Gambian National Indicative Programme (NIP) into the Trust Fund but the modalities of the cooperation with the Gambia would remain the same, given that already today the project should be managed by civil society and not involve the government. The Chair pointed out that today the EU has abandoned the Gambia and Gambians.

DE explained that it supports the project but there is the need to put it on hold until a political discussion is undertaken in COAFR. After the discussion, the project could be resubmitted to the EDF Committee as an "A point". EEAS recalled that on 6 July 2016, COAFR decided not to invoke Art. 96 at the current stage and endorsed a report of the Heads of Mission which included the recommendation to maintain the current development cooperation pipeline. NL backed DE insisting on the fact that it is an issue of timing. IT announced to share the same view of COM. The Chair said that the discussion will be resumed after COAFR but pointed out that, if no decision is taken to activate article 96, the cooperation with the Gambia should go on, with all the due limitations.

**12. PRO-RESILIENCE**

**Result:** unanimous positive opinion.

DE welcomed the programme and said that it builds a bridge between short-term and long-term linking relief, rehabilitation and development. UK recommended taking into account the latest price increase in South Sudan.

**13. EMERGENCY TRUST FUND**

**Result:** a written procedure started just after the meeting.

FR expressed its support for the replenishment of the Emergency Trust Fund and the financial breakdown by country. FR stressed that postponing the approval of the measure would send a
negative signal to partner countries while negotiations relating to the Compacts are ongoing. LU called on COM not to fund exclusively the compacts. ES supports the proposal but expressed concern over the fact that much money from the reserve has already been committed and wondered what can happen if another crisis comes up and if COM plans to ask further contributions from MS. IT stressed that this decision is very much expected and that the EUR 500 million are an answer to the five compacts launched with the priority partner countries. SE said to be ready to accept the transfer if this does not mean further contributions from MS. Moreover, SE inquired if the top-up that COM expects will be on a voluntary basis and if the funds will be used in line with the OECD ODA. BE announced to be against the transfer at this stage; according to BE, there must be a meeting of the Board beforehand. There is also a pipeline of projects to be approved and the reference has to remain the Valletta Plan. There should be a balance between short, medium and long term. BE recalled that 77% of the money of the Trust Fund comes from the EDF but other instruments could also be mobilised. DE noted that 50% of the funds have been allocated and proposed to plan together the remaining 50% before replenishing the Trust Fund. Finally, DE asked to get an indicative idea of the sectors, and not only of the regional windows. Many things have still to be discussed before the proposal can be approved, according to DE: for example, it has to be seen whether the Trust Fund is the best instrument to implement the compacts. The next Board meeting is planned in December but maybe it can be brought earlier. DE also recalled that six months earlier there were discussions on the African Peace Facility (APF) and that COM said that there will be no need for replenishment until 2018 included. PT remarked that the EU is on the way to exhaust the resources made available and that a reorientation of strategy has to take into account the obligations with the African partners. NL and CZ backed the observations of BE and DE. UK recognised that the EU emergency Trust Fund is a big initiative and that it is still a too short time to have results but wondered when there will be the results. UK suggested launching a 21-day written procedure so that MS have more time to analyse the measure. Many MS thank the Commission for the documents sent and the information explained at the experts' meetings but they ask to have more time to analyse them.

The Chair showed understanding for the caution of MS and underlined that the exercise is difficult and ambitious; it should, however, be separated from the debate on the reserve, which is still available. COM is not going to ask for new MS contributions but of course voluntary contributions will be welcome. When it comes to the Board, the invitation for 13 December has already been sent but the main question is what MS expect from the Board, where partner countries and regional organisations are also present. One has to expect lengthy discussions as it was in Valletta, where the EU insists on readmission while the partner countries speak about employment and investment projects. COM is aware of MS priorities: return and readmission, border control and security. COM has to prepare a report for the European Council, with the state-of-play of the implementation of the Valletta Plan and this report has to be finalised by 18 October. COM would like to include in the report the mobilisation of EUR 500 million. Therefore, the Chair proposed a written procedure to help MS digest all the information and if necessary technical meetings. MS agreed on the written procedure but insisted on organising a technical meeting with the same rank as for the Strategic Board. The Chair promised to look into the possibility of organising a meeting but remembered the MS that there are many international events in the incoming weeks and it might not be possible.

4. FOR INFORMATION

AFRICA INVESTMENT PLATFORM
UK asked indications on when the EFSD Regulation will be approved and on continuation of the programmes that have already been approved under the African Investment Facility (AfIF). PL recalled the importance of keeping discussing general issues at the level of the EU platform for blending (EU BEC). DE wondered why the decision will be entitled "Commission Decision" and not "EDF Decision" and what the EFSD Secretariat will cover. Moreover, according to DE, there has to be more clarity on the role of the Strategic Board and on what means that it has "to assist" COM. Finally, DE asked whether the Intra-ACP envelope should be mobilised rather than the EDF reserves for the guarantee. BE asked if COM consulted the EU BEC platform about the AIP and argued that it would be problematic to use the planned instruments for the fragile countries; on the projects, BE raised the question of their DAC-ability. SE supported DE and BE interventions and wondered what kind of recipients will benefit from the AIP projects. FR inquired about management modalities, eligibility criteria as well as the way EU actors' technical expertise will be taken into account as COM underlined that access to the guarantee fund would be expanded (beyond the current blending facilities' criteria). FR also wondered about the articulation between existing instruments supporting private sector development funded under the 11th EDF, notably the EIB Investment facility. IT expressed its clear support to the proposal and exhorted to invest where there can be the greatest impact and invited to judge the effectiveness of AIP in a global perspective.

As far as the EFSD Regulation is concerned, COM explained that the ambition of the Slovak presidency would be to have it before the end of the year; however this might take longer. The programmes already adopted are not going to be re-assessed, although of course there will be a Mid-Term Review (MTR) where objectives of the programming may be re-discussed. The draft Regulation foresees the possibility of supporting public and private bodies from MS hence including cooperation with national credit agencies. When it comes to the "Commission" Decision, they are called so because it is foreseen by the COM legislative process but the funding source is of course mentioned in the decision. Regarding the governance structure, the Operational Board that exists in AfIF will remain the same., However the AIP OB would deal with blending operations, like AfIF before, but also with guarantees. The Strategic Meetings as foreseen in the AfIF Action document will remain. The Strategic Board proposed by the EFSD regulation will be a new structure carrying out the general coordination of the EFSD. The idea is also to have a one-stop shop, to which all the requests are sent. The role of the Secretariat of the EFSD will encompass the tasks of the Secretariat of the facilities, the opinions related to projects will still be taken by the Board. COM will keep discussing general issues at the level of the EU BEC Platform especially since other facilities will continue working (Latin America, Asia, Caribbean, Pacific). The DAC-ability will be ensured, as COM will focus on the root causes of migration but will also strive to reach the Sustainable Development Goals (SDGs). The modality of implementation will be still indirect management, the criteria are not going to be changed. It is also still up to the Operational Board to decide whether to include non-European financial institutions as participants to the Platform.

DE asked whether the guarantee will be valid for Africa, for the Neighbourhood or for both and inquired about the decision-making procedure of the Board. COM replied that the Intra-ACP envelope has been negotiated with the ACP Ambassadors and has not been foreseen to be allocated as a guarantee portfolio. It is still too early to say how the Strategic Board will function (i.e. in terms of the type of guidelines it will deliver). The Chair concluded that the COM will come back to the EDF Committee of 20/10 with the proposal.
COM explained that there would remain EUR 1.039 billion in the 11th EDF reserve, considering the engagement of the EUR 500 million for the replenishment of the Trust Fund, the EUR 400 million for the EFSD Guarantee Fund and the other earmarks as in the explanatory note shared with MS. Provisions from the reserve are going to be used for the APF, a possible NIP for South Sudan, the Shock-Absorbing Mechanism (SAM) and unforeseen needs following situations of crisis. Contrary to what initially COM intended to do, it will carry out a MTR for all the NIPs-RIPs as the political priorities have changed in the meanwhile. Under the 10th EDF, after MTR EUR 300 million of top-ups were allocated. This time the conditions are very different, as the EU has never known such a migration crisis, while we have a new 2030 Sustainable Development Agenda or Climate Change Agreement. The situation of the reserve is tense: COM is aware that it has to use it until 2020 and if there is another such crisis, the reserve might not be sufficient. The good news is, however, that taking into account the current commitments and the proposed use of the EDF reserves, MS will not have to increase their contributions in 2017.

DE noted that EUR 1 billion has been earmarked for SAM and wondered why so much money and not, for example, EUR 600 million. The Performance-Based Mechanism (PBM) does not appear in the prognoses of COM. For MTR, MS need a scale to see who performs well and who does not. According to DE, MS should be able to participate in MTR; therefore, DE requested an exchange of views on MTR at the next EDF meeting. The concern is in fact that next MTR will focus on migration performance exclusively. MTR also means that a certain amount of money will flow back to the reserve. AT and FR said to share the concern of DE and FR also drew the attention of COM and other MS to the problem of financing APF after 2018 and inquired about the impact of the Emergency Trust Fund's replenishment and of the financing the EFSD's Guarantee Fund on the Member states contributions. UK requested to get financial updates more regularly and stressed that the EU has taken commitment also for 2019-2020 as far as the APF is concerned.

COM explained that when it comes to SAM discussions are still on-going with the ACP Secretariat, so there is no harm in keeping the amount at EUR 1 billion for the time being, it can be adjusted as soon as COM considers that there are needs elsewhere. On the PBM MS had such divergent positions that the file could not progress; COM proposed to study PBM now for the next programming period, it is of paramount importance to have something which has a chance of succeeding. A performance-based methodology is more related to what some countries can deliver on specific issues. Between the end of the year and the beginning of next year, it will be clear what COM intends to do with MTR. For APF, COM is aware that there is a lack of funding but thinks that this can be re-absorbed by the reserves.

**VISA OF THE CHAIR: CARLA MONTESI ON 06/10/2016**