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COVER NOTE

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signed by Mr Jordi AYET PUIGARNAU, Director

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PART 1/2

COMMISSION STAFF WORKING DOCUMENT

Accompanying the document

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

2019 Annual Report

**On the implementation of the European Union's instruments for financing external
actions in 2018**

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Table of contents

Introduction: The European Union response to world developments in 2018	4
1. Delivering on global commitments	8
1.1. The EU as a strong global actor	8
1.1.1. International cooperation and development	9
1.1.2. European Neighbourhood Policy	10
1.1.3. Humanitarian aid and civil protection	11
1.1.4. EU enlargement	13
1.1.5. Security and defence	14
1.1.6. Crisis response and preparedness	15
1.1.7. Making a difference: New instruments and aid modalities	16
1.1.8. Human rights and democracy	17
1.2. Fostering sustainable development	18
1.2.1. Implementing the 2030 Agenda comprehensively and coherently	18
1.2.2. The means of implementation of the new agenda	19
1.2.3. Working better together with Member States	20
1.2.4. Policy Coherence for Development	21
1.2.5. Development effectiveness	22
1.3. Working together towards the SDGs – policy level	22
1.3.1. SDG 1 No poverty	22
1.3.2. SDG 2 Zero hunger	25
1.3.3. SDG 3 Good health and well-being	28
1.3.4. SDG 4 Quality education	31
1.3.5. SDG 5 Gender equality	35
1.3.6. SDG 6 Clean water and sanitation	39
1.3.7. SDG 7 Affordable and clean energy	40
1.3.8. SDG 8 Decent work and economic growth	44
1.3.9. SDG 9 Industry, innovation and infrastructure	48
1.3.10. SDG 10 Reduced inequalities	52
1.3.11. SDG 11 Sustainable cities and communities	55
1.3.12. SDG 12 Responsible consumption and production	57
1.3.13. SDG 13 Climate action	60
1.3.14. SDG 14 Life below water	63
1.3.15. SDG 15 Life on land	66

1.3.16.	SDG 16 Peace, justice and strong institutions	69
1.3.17.	SDG 17 Partnerships for the goals	74
2.	Results reporting and alignment to SDGs	78
2.1.	The EU International Cooperation and Development Results Framework and the Instrument for Pre-accession Assistance (IPA II) Performance Framework	78
2.1.1.	Revision of the EU Results Framework and results reporting exercise.....	78
2.2.	Results-based management.....	79
2.3.	Overview of results for EU RF Level 2	80
2.4.	Results reported under the EU RF per SDG.....	85
2.4.1.	SDG 1 No poverty.....	86
2.4.2.	SDG 2 Zero hunger	86
2.4.3.	SDG 3 Good health and well-being	90
2.4.4.	SDG 4 Quality education	92
2.4.5.	SDG 5 Gender equality.....	94
2.4.6.	SDG 6 Clean water and sanitation	97
2.4.7.	SDG 7 Affordable and clean energy	99
2.4.8.	SDG 8 Decent work and economic growth	100
2.4.9.	SDG 9 Industry, innovation and infrastructure	107
2.4.10.	SDG 10 Reduced inequalities	108
2.4.11.	SDG 11 Sustainable cities and communities	112
2.4.12.	SDG 12 Responsible consumption and production.....	113
2.4.13.	SDG 13 Climate action	114
2.4.14.	SDG 14 Life below water.....	115
2.4.15.	SDG 15 Life on land.....	116
2.4.16.	SDG 16 Peace, justice and strong institutions	118
2.4.17.	SDG 17 Partnerships for the goals	124
2.5.	The Instrument for Pre-accession Assistance (IPA II) Performance Framework.....	125
2.5.1.	Reporting from ongoing interventions	125
2.5.2.	Coverage and structure of the IPA II PF	125
2.5.3.	Results-based management	126
2.5.4.	Overview of key results reported for the IPA II PF.....	126
3.	Implementation: Geographical overview	128
3.1.	African continent, sub-Saharan Africa and all ACP programmes	128
3.1.1.	Sub-Saharan Africa.....	128
3.1.2.	South Africa	136
3.2.	Latin America and the Caribbean.....	137
3.2.1.	Latin America	137
3.2.1.4.	Implementation	140

3.2.2.	The Caribbean.....	144
3.3.	Asia, Central Asia, Middle East/Gulf and Pacific	150
3.3.1.	Asia	150
3.3.2.	Central Asia.....	155
3.3.3.	Middle East/Gulf region.....	159
3.3.4.	The Pacific.....	163
3.4.	Enlargement.....	166
3.4.1.	Introduction	166
3.4.2.	IPA priorities	167
3.4.3.	Implementation	168
3.4.4.	Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters.....	178
3.4.5.	Crisis response and preparedness	179
3.4.6.	Working better together, contributor effectiveness and donor coordination	180
3.4.7.	Working towards the SDGs.....	182
3.5.	European Neighbourhood Instrument (ENI).....	183
3.5.1.	European Neighbourhood East.....	183
3.5.2.	European Neighbourhood South	196
3.6.	The OCTs	207
3.6.1.	Introduction	207
3.6.2.	Implementation	208
4.	Managing aid.....	212
4.1.	Monitoring systems	212
4.1.1.	New reporting system on SDGs	212
4.1.2.	Evaluation: Review of the work programme	212
4.1.3.	Lessons learned	217
4.2.	Aid delivery modalities.....	219
4.2.1.	Budget support, PFM.....	219
4.2.2.	Using EU grants strategically via blending, including the European EIP	221
4.3.	Improving ways of working.....	224
4.3.1.	Simplification of procedures.....	224
4.4.	Communication, transparency and learning.....	225
4.4.1.	Communication	225
4.4.2.	Transparency	226
4.4.3.	Learning	226

Introduction: The European Union response to world developments in 2018

During 2018, the European Union (EU) faced – and rose to – significant challenges on the international scene. Conflicts and instability continued to develop globally and at the EU's southern and eastern borders. State fragility and security concerns were evident from the Sahel to the Horn of Africa. Conflicts continued in Syria, Ukraine and Yemen. There was limited progress in the Middle East peace process (MEPP). Regional rivalries sharpened, and the major powers competed to extend their global economic and strategic influence. Unilateral action and the weakening of the rules-based global order challenged multilateralism and the international system.

In its engagement in world affairs, the EU continued to promote a joined-up approach whereby the EU institutions and Member States use all available instruments to strive for a more peaceful and prosperous world. The EU's external action is framed by the Global Strategy on Foreign and Security Policy and grounded in the Lisbon Treaty. It calls on Member States to act collectively to overcome challenges. In 2018, the EU's comprehensive response spanned diplomacy, security, financial relations, trade, development, humanitarian aid and further development of special relations with its closest neighbours. The EU also supported urgent reforms to enable the multilateral system to face present and future challenges and to boost cooperation and partnerships with regional organisations.

In the **Western Balkans**, the European Commission's Western Balkans Strategy of February 2018 provided a major boost for the region's European path. It reconfirmed the future of the Western Balkans as an integral part of the EU and called for significant enhancement of the EU's political, technical and financial support to the region. At the EU–Western Balkans Summit in Sofia in May 2018, EU leaders reaffirmed their unequivocal support for the European perspective of the Western Balkans, and the Western Balkans partners recommitted to this perspective as their firm, strategic choice. The EU leaders agreed on new measures for enhanced cooperation with the region. The historic Prespa Agreement between Greece and the Republic of North Macedonia provided an example of strengthening good neighbourly relations for the entire region. Turkey continued to move away from the EU, with a continued deterioration in particular in the rule of law field and a substantial reduction in EU funding due to backsliding by Turkey in key areas. Cooperation continued in areas of joint interest, in particular on migration.

Under the European Neighbourhood Policy (ENP), the EU continued to support and foster stability, security and prosperity in the EU's closest Neighbourhood and to develop strong partnerships with neighbouring countries to the east and south based on joint ownership, focusing on issues of key concern to the EU.

An ambitious work plan – the '20 Deliverables for 2020' – was endorsed by the leaders in the context of the Eastern Partnership Summit in November 2017. The monitoring of the '20 Deliverables for 2020' started in 2018 and was discussed at the Eastern Partnership ⁽¹⁾ foreign ministers' meeting on 15 October. The EU also continued to help secure a lasting peaceful solution that respects the unity, sovereignty and territorial integrity of **Ukraine** and promoted further mediation efforts. It also agreed to increase cooperation with Ukraine on cybersecurity, hybrid threats and strategic communication in preparation for elections in 2019. The EU's response to the challenging situation with Russia continued to respect the five agreed principles. They involve collaborating with Russia on

¹ Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

foreign policy and global issues of interest to the EU, such as the Arctic, Iran, Syria and migration, while supporting civil society and promoting dialogue.

In the **Middle East and North Africa**, the EU continued to support the ENP goal of stabilisation and promoted regional integration in the strategically important Mediterranean region. Although the situation in **Syria** continued to present challenges, the EU pursued a political solution to bring lasting stability and to address the most critical humanitarian and resilience issues affecting Syrians and communities hosting Syrian refugees. The Syria Conference in April 2018 reaffirmed the international community's political and financial support to the country's neighbours and resulted in pledges of EUR 3.5 billion in grants. The EU supported the stabilisation of **Iraq, Libya and Yemen** in cooperation with the United Nations (UN) and regional partners. The two-state solution and its existing policies, including on Jerusalem, remained central to EU engagement in the **MEPP**, working with Israelis, Palestinians and the international community.

Implementing and preserving the **Joint Comprehensive Plan of Action (JCPOA)** with **Iran** remained an important priority. EU Member States showed an ongoing intention to implement the JCPOA as long as Iran abides by its nuclear commitments. The deal continued to ensure that Iran does not acquire material or equipment to develop nuclear weapons, as confirmed repeatedly by the International Atomic Energy Agency, thereby demonstrating its importance to the security of Europe, the Middle East and the wider world.

The EU and **Africa** worked to bolster the strategic partnership between the 'twin continents' and strove to implement the outcomes of the African Union (AU)–EU Summit (29–30 November 2017). This strengthened alliance between the two continents is based on mutual interests and shared values and encompasses peace and security; governance; mobility and migration; investment and job creation; and knowledge and skills. The EU supports the AU's Agenda 2063 and the integration of the continent through the African Continental Free Trade Area. Negotiations to secure a renewed partnership with African, Caribbean and Pacific (ACP) states continued in preparation for the expiry of the Cotonou Agreement in February 2020. The EU provided bilateral and regional support to promote stability in the **Sahel** as a key priority. This involved political, security, development and humanitarian investment amounting to EUR 8 billion. The EU and the Niger presidency also organised a conference of G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania and Niger) in February 2018. This was a milestone towards operationalising the G5 Sahel Joint Force, which addresses challenges including terrorism and organised crime, climate change and demographic growth.

The **transatlantic relationship** remained central to EU foreign policy. The EU made good progress with the **United States** through a strong and effective relationship focusing on foreign relations with the EU's immediate Neighbourhood, North Korea and the Western Balkans. The EU also stepped up cooperation with the United States over foreign policy issues such as cybersecurity, counterterrorism and defence, and pursued constructive dialogue to resolve differences and to defend the EU's values, political objectives and economic interests. It worked with **Canada** on strengthening multilateralism and on implementing the Strategic Partnership Agreement (SPA) and the Comprehensive Economic and Trade Agreement.

In relation to partnership between the EU and **Latin America and the Caribbean**, the ministerial meeting in July 2018 was successful; work continued to shape the future of the partnership, in order

to transition from development cooperation to a diversified model that emphasises trade, investment, research and innovation, education, the digital agenda and collaboration in defence of common values. In addition, the EU continued to support the implementation of the **peace agreement in Colombia**, a key element for the stability of the region, while closely following events in **Venezuela**. The EU worked hard to modernise Association Agreements with **Chile and Mexico** and to conclude the Association Agreement with **Mercosur**. Overall, the EU sought to facilitate political processes in order to re-establish respect for democracy, the rule of law and human rights and to assist the countries of the region in tackling the humanitarian consequences of migration.

At the Asia–Europe Meeting (ASEM) in October 2018, leaders agreed to improve **connections between the continents** to boost trade, improve security, increase dialogue and preserve the environment. They renewed their support for the rules-based international order and an open world economy. The EU showed its commitment to an active EU security presence and engagement with **Asia** at bilateral, regional and global levels, while pursuing **sustainable connectivity** between both regions. The EU remained committed to the ongoing diplomatic process and efforts to bring about the denuclearisation of **North Korea**, both in talks with partners and through sanctions. The EU and UN have vast expertise in this field, which could be used to achieve lasting peace and security on the Korean Peninsula. The EU also continued to exercise a mix of international efforts and constructive engagement with **Myanmar** in order to improve the situation there while providing extensive humanitarian assistance to Rohingya refugees. The EU supported an inclusive and united platform for peace in **Afghanistan**, involving all social groups and protecting 18 years of progress on fundamental rights for women, children and minorities.

The EU played a leading role in the **implementation of global agreements**, notably the **2030 Agenda for Sustainable Development**, the **Paris Agreement on climate change** and the negotiations for the **Global Compacts on Migration and on Refugees**. Throughout 2018 (the 70th anniversary of the Universal Declaration for Human Rights, the 20th anniversary of the Rome Statute and the 20th anniversary of the Declaration on Human Rights Defenders), the EU confirmed its commitment to promoting the **protection of human rights**. The EU increased its efforts on **cybersecurity with the Global Tech Panel** and led determined global efforts to promote **international ocean governance**, and negotiations for the **Global Pact for the Environment**.

In addition, the EU made important headway in implementing **the Integrated Approach to Conflict and Crises**. Following the adoption of the **Joint Communication on Resilience** in 2017, work continued on a coherent policy framework with the focus being on the Neighbourhood. The EU continued to promote external policies and cooperation that enhance the security of the EU and its citizens, focusing on internal and external security. The EU stepped up its engagement with partners in areas such as counterterrorism, non-proliferation and disarmament, cybersecurity, maritime security and sanctions.

With regard to trafficking in human beings, the EU delivered towards its 2017 Communication, identifying as a targeted priority **the intensification of a coordinated and consolidated response, both within and outside the EU** ⁽²⁾. In this context, the EU Anti-trafficking Coordinator promoted a coherent and coordinated approach to the complex phenomenon of trafficking in human beings,

² COM(2017) 728 final, 04.12.17.

both within the **EU and in relation to non-EU countries**, addressing the issue in key relevant instruments ⁽³⁾.

The Global Strategy on the EU's Foreign and Security Policy anticipated the importance of a strong UN as the bedrock of the multilateral rules-based order and affirmed the EU's commitment to it. The EU and its Member States remained the largest contributor to the UN. The EU provided more than one quarter of all voluntary contributions, while Member States contributed to one third of the UN regular budget and more than one third of the peacekeeping budget. In 2018, the strategic partnership of the EU and the UN on peacekeeping operations and crisis management resulted in a new action plan for the next three years. All of the EU's 16 crisis management missions and operations cooperated closely with members of the UN family. EU missions and operations continued to share the same theatres as UN missions, including several in Africa. The EU played a key role in UN reform, both by helping the UN Secretary-General Guterres to secure an ambitious package across the three reform strands (management; peace and security; development system) and by implementing measures due to enter into force on 1 January 2019.

³ For more details, please see: SWD(2018) 473 final, 03.12.2018; COM(2018) 777 final, 03.12.2018; the European Commission's anti-trafficking website: https://ec.europa.eu/anti-trafficking/node/4598_en.

1. Delivering on global commitments

1.1. The EU as a strong global actor

The EU strongly promotes a joined-up approach that brings together EU institutions and Member States to work towards a more peaceful and prosperous world.

The Lisbon Treaty guides the EU's external actions while the Global Strategy on the EU's Foreign and Security Policy enables the EU to act collectively and responsibly to tackle complex global challenges. While continuing to implement the five original priorities of the Global Strategy⁽⁴⁾, support for a global order based on international law with the UN at its core, in partnership with regional organisations, is increasing. Advancing **multilateralism** means adjusting to the changing realities and distribution of power in the world while ensuring visibility and strong implementation of key milestones for the multilateral system, such as the Paris Agreement, the Sustainable Development Goals (SDGs), the Iran nuclear deal or the UN Global Compact for Migration. It also means redoubling efforts to work with others who remain committed to the existing international system. The groundbreaking trilateral **AU–EU–UN** partnership paves the way for enhanced cooperation on the wider peace and security agenda, while support for the **G5 Sahel Joint Force** is an example of the importance of investing in regional security partnerships.

In 2018, the EU assisted with the **comprehensive approach to conflicts and crises** through timely interventions under the Instrument contributing to Stability and Peace (IcSP) and through Common Foreign and Security Policy actions across the world, including in Bangladesh, Central African Republic, Iraq, Libya, Mali, Myanmar, the Philippines, Syria, Ukraine, Venezuela and the Western Balkans. Through these actions, the EU contributed to mediation, dialogue and confidence building, conflict prevention and post-conflict peacebuilding; to strengthening the rule of law, the fight against terrorism, and security sector reform; and to efforts to combat the proliferation of weapons and promote effective global governance and multilateralism. During the year, the first Capacity Building for Security and Development (CBSD) initiatives were launched under the IcSP⁽⁵⁾. These actions, which were closely coordinated with the relevant military EU missions on the ground in Central African Republic, Mali and Somalia, demonstrate the EU's integrated approach.

The EU is taking greater responsibility for its defence and assisting partners with peace and security. Advancements on a **Coordinated Annual Review on Defence**, the **Military Planning and Conduct Capability**, the European Defence Industrial Development Programme, the **EU–NATO Joint Declaration** and the **Permanent Structured Cooperation** (PESCO) are concrete and historic achievements. Intense work continues on the **European Defence Fund** and the proposal for a **European Peace Facility** to finance peacekeeping operations. Also, under the **Common Security and Defence Policy** (CSDP), the EU operates civilian and military missions worldwide.

In addition to its work on conflict, the EU continues to tackle existing vulnerabilities and respond to **humanitarian crises** – natural and man-made – amplified by climate change, insecurity and modest economic growth. The EU and its Member States remain the world's largest donors of humanitarian

⁴ The five original priorities are security and defence; resilience; an integrated approach; an internal/external nexus; and regional and thematic strategies.

⁵ Five new CBSD financing decisions were adopted under the crisis response component: in Central African Republic (two), Lebanon, Mali and Somalia. The first CBSD actions under the crisis preparedness component took place in Benin, Burkina Faso, Kenya, Lebanon and Niger.

aid and of development assistance, providing more than half of **Official Development Assistance** (ODA) globally, making a huge difference to the livelihoods of millions of people around the world.

The EU also fosters dialogue on **values and global challenges** with key partners across the world. Human rights, gender equality and support for women, peace and security are central to all EU policies. The EU seeks to broaden conversations, defend and promote European values, build new cross-regional alliances and project influence, contributing to the security of the EU and its citizens. The EU upgraded dialogue (e.g. with Egypt, Jordan, Lebanon, Tunisia, Turkey and Western Balkans) on non-proliferation and disarmament, cybersecurity, maritime security and sanctions, focusing on the internal/external security nexus in counterterrorism.

Finally, **trade** is, for some, becoming a political weapon. As the world's largest trading bloc and the biggest source of foreign direct investment, the EU continues to work with international partners to promote a free and fair international trading system. The EU is deeply engaged in the reform of the World Trade Organization (WTO) and will continue to defend itself against unfair and distorting trade practices while expanding its bilateral and regional partnerships. New technologies are revolutionising how we live, how we work and how we conduct diplomacy, development and security. This was the rationale for the EU proposal to create the Global Tech Panel. Technology is creating new challenges not covered by international laws and standards, and the EU will contribute decisively to shaping those laws and standards using the strength of the single market to ensure predictability, social inclusion and prosperity.

1.1.1. International cooperation and development

In 2018, the Commission continued to support the implementation of the 2030 Agenda globally, advancing the application of the new European Consensus on Development (2017) ⁽⁶⁾, which provides a framework for a common approach to development policy. Thus, the Commission actively integrated SDGs across its methods, instruments and tools.

The Commission continued to develop tailored partnerships for effective development cooperation. For example, in September 2018, the EU and countries in the ACP group started to plan for their cooperation after 2020, aiming to conclude the agreement by the end of 2019.

A key policy initiative was the Africa–Europe Alliance for Sustainable Investment and Jobs, announced by President Juncker in September 2018. Since the adoption of the Consensus, the EU has been actively implementing the Addis Ababa Action Agenda as an integral part of the 2030 Agenda. This involves promoting the mobilisation and use of financial and non-financial means and all forms of partnerships to achieve the SDGs. ODA, which still plays a significant role in many developing countries, will be used more catalytically to generate additional financing for sustainable development. This approach will be part of the future Neighbourhood, Development and International Cooperation Instrument (NDICI), which sets out to support the implementation of the SDGs.

The EU and its Member States are firmly committed to the SDGs and to eradicating poverty. In 2018, EU ODA was 0.47 % of gross national income (GNI) – EUR 74.4 billion – down compared to 2017, when it was at 0.50 % of GNI. This reduction was due to a significant decrease in donor refugee

⁶ https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en.

spending, which assists refugees and asylum seekers during the first year of their stay, covering food, shelter or training ⁽⁷⁾.

In 2018, the Commission continued to address economic, social and environmental dimensions of sustainable development. For instance, the European External Investment Plan (EIP) promoted sustainable development in Africa and the European Neighbourhood through enhanced investment, boosting local economies and creating decent jobs while addressing the root causes of irregular migration and forced displacement. In 2018, the EU allocated EUR 1.54 billion to 28 guarantees to unlock investments for micro, small and medium-sized enterprises (MSMEs) in energy and connectivity, cities, agriculture and the digital sector. Also, **21 blending projects in sub-Saharan Africa** are expected to leverage around EUR 4 billion for transport, energy, private sector development (PSD) and agriculture.

Several programmes were launched under the Spotlight Initiative, the EU–UN partnership to eliminate all forms of violence against women and girls. Support is provided to strengthen local organisations working to end gender-based violence. Moreover, a total of EUR 265 million has been committed to combat sexual and gender-based violence in Africa and Latin America.

The EU has also sought to enhance research and innovation collaboration, which is a key vehicle for fostering socioeconomic development and supporting the EU's external policies. In 2018, major developing partner regions participated on approximately 225 occasions ⁽⁸⁾ in Horizon 2020 collaborative projects, supported by an EU contribution of about EUR 33 million.

1.1.2. European Neighbourhood Policy

In 2018, the EU continued to implement its revised ENP, aiming to stabilise the EU's Neighbourhood (the overarching goal of the 2015 review). Throughout the year, the revised ENP mobilised significant support for its four refocused priorities ⁽⁹⁾ and fully integrated the principles of differentiation and shared ownership. Engagement with all Neighbourhood countries through political dialogue continued, and additional guidance and support was provided to ENP partner countries with their reform efforts.

In the east, the EU's assistance and major programmes were based on the '20 Deliverables for 2020', adopted at the Brussels Summit in November 2017. A new institutional set-up of the Eastern Partnership has also been put in place. Work on the differentiated relations with all Eastern Partner countries has advanced well. The political framework set by the Association Agreements with Georgia, Moldova and Ukraine and the association agendas have continued to be implemented. The realignment of multilateral and bilateral actions is ongoing, and the multi-annual Programming Documents for 2017–2020 for Armenia, Georgia, Moldova, Ukraine (for the period 2018–2020) and the regional east provided the basis for annual programming. The Single Support Framework for Azerbaijan was adopted in December 2018, while a package of 'special measures' was adopted for Belarus, with negotiations on Partnership Priorities.

⁷ Preliminary figures for 2018 indicate a slight decrease in overall collective ODA. Taking into account the Organisation for Economic Co-operation and Development's (OECD) recent change to the method of calculating ODA, the adjusted difference between 2017 and 2018 represents a decrease of EUR 731 million.

⁸ Figures cover Africa, Central and Latin America and the Association of Southeast Asian Nations (ASEAN).

⁹ The ENP's priority areas are: good governance, democracy, human rights and the rule of law; sustainable economic development; security; and migration and mobility.

In response to the conflict in the east of Ukraine, the EU provided humanitarian support and assistance for stabilisation and early recovery. The EU also adopted a significant package to support development and strengthen social and economic resilience in government-controlled areas.

In the south, the EU and Tunisia agreed on strategic priorities for 2018–2020. A Single Support Framework (2018–2020) for Algeria was adopted. The EU–Morocco Action Plan implementing the advanced status and the Single Support Framework were extended for one year. The EU–Jordan Association Council agreed on a two-year extension of the Partnership Priorities. The first drafts of the Partnership Priorities with Palestine and Israel were prepared for discussion with Member States in early 2019 and action plans were extended for three years. The EU also presented a review of its engagement in favour of the two-state solution to Member States at the Gymnich meeting in August 2018, to increase the efficiency and effectiveness of its support. Its conclusions are being integrated into the programming.

Substantial efforts were devoted to enhancing coordination mechanisms in the Neighbourhood South and ensuring coordination of the EU response at all levels, including via Joint Humanitarian and Development Frameworks for Jordan, Lebanon and Syria, and permanent discussion and coordination between the different instruments, including humanitarian and crisis response. Mitigating the impact of the protracted Syrian crisis remained a priority throughout 2018. The April Brussels II Conference on Supporting the future of Syria and the region reaffirmed the engagement of the EU in supporting Syrian refugees and host communities – notably in Jordan, Lebanon and Turkey – through the activities of the EU Regional Trust Fund in Response to the Syrian crisis. Meanwhile, in Libya, the security situation remained a barrier to the implementation of cooperation programmes. Operations continued to be remotely managed from Tunis, where the delegation is temporarily based.

The EU continued to drive forward programmes to assist Neighbourhood countries to tackle the causes of instability through a sustained focus on good governance, the rule of law and human rights, both in the east and the south. Significant efforts at bilateral and regional levels continued to increase the capacity of civil society across the region in terms of policy shaping to support human rights defenders and freedom, as well as the accountability of states to their citizens.

Migration and related security challenges also continued to receive EU attention and support. The EU continued to apply a balanced approach to the multiple aspects of migration, with a focus on areas of mutual interest. For example, the EU Emergency Trust Fund for Africa contributes to addressing the causes of irregular migration and forced displacement, the fight against trafficking of human beings and smuggling of migrants, and the protection, voluntary return and reintegration of migrants to their countries of origin.

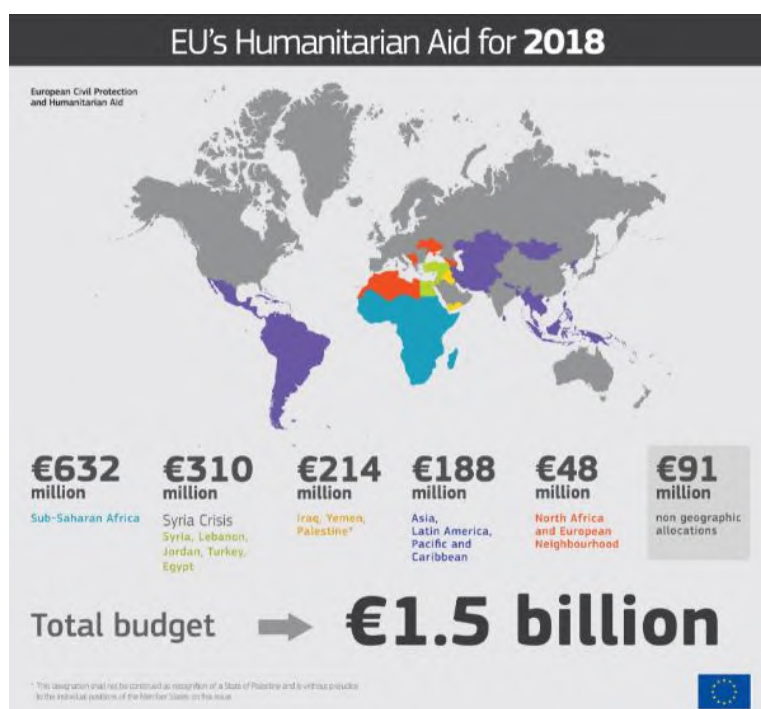
Peer-to-peer instruments, the Technical Assistance and Information Exchange (TAIEX) model and Twinning also actively contributed to support the overall reform process in line with EU political priorities.

1.1.3. Humanitarian aid and civil protection

Humanitarian crises have steadily increased in complexity and severity in recent decades; this trend did not change in 2018. Conflict remained the main driver of humanitarian needs, while natural disasters necessitated emergency aid. Overall, more than 134 million people needed humanitarian

assistance and protection – and more funding than ever before was required to help them. The Commission funded humanitarian aid operations for more than EUR 1.5 billion⁽¹⁰⁾ in more than 90 countries (Figure 1). A significant proportion of this went on supporting conflict-affected populations inside Syria and refugees in neighbouring countries and regions. The EU 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.

Figure 1. EU humanitarian aid in 2018



However, maintaining the EU’s capacity to respond rapidly remains a challenge due to difficult access and security situations in several countries. Promoting principled humanitarian aid and respect for international humanitarian law has continued to be at the heart of the Commission’s overarching objectives as a donor. In 2018, the EU continued to play a leading role by chairing the two EU donor groups: the Donor Support Group of the International Committee of the Red Cross and the Good Humanitarian Donorship group. The Commission also continued to chair the ‘Call to action on protection from gender-based violence in emergencies’, to be handed over to Canada in January 2019.

In line with the Grand Bargain agreed in 2016 between donors and operational agencies at the World Humanitarian Summit, the Commission has also worked for the greatest possible efficiency and value for money in the use of humanitarian funding. A key part of this has been the Guidance Note on the Delivery of Large-Scale Cash Transfers. In addition, support for innovation and digitalisation has continued to be a major focus of the EU’s drive to maximise the impact of humanitarian aid.

The Commission has also pursued work on resilience as crisis and fragility become normalised in many parts of the world. The peace element of the Humanitarian–Development Nexus was endorsed during the informal Foreign Affairs Council for Development meeting in September 2018,

¹⁰ This included emergency support in the EU (EUR 199 million).

with the understanding that efforts should contribute to addressing a protracted crisis, though not to the detriment of principled humanitarian assistance programmes. Education in emergencies remains a flagship policy for the EU: in 2018, the Commission adopted a Communication on Education in Emergencies and Protracted Crises, setting clear and strategic priorities. Having met Commissioner Stylianides' pledge to devote 8 % of the EU's 2018 humanitarian aid budget to education in emergencies, the EU has set the ambitious goal of 10 % in 2019.

The EU Civil Protection Mechanism (rescEU) was activated 20 times. Within the EU, assistance was provided for forest fires in Greece, Latvia, Portugal and Sweden. Following oil leaks, Bulgaria and France requested EU support on the issue of marine pollution. International assistance was provided to Guatemala (volcanic eruption), the Democratic Republic of Congo (Ebola outbreak) and Indonesia (earthquake and tsunami). The unprecedented 2018 forest fire season demonstrated the need to continue strengthening the EU, which prioritised concluding negotiations on the Commission proposal. Political agreement was reached at the end of 2018, paving the way for its rapid implementation, which is a top priority for the EU in 2019.

The EU will also step up support for Member States to improve their disaster risk management and will set up a new EU Civil Protection Knowledge Network to share lessons learned. Cooperation on training, research and innovation will be, where possible, extended to neighbouring countries.

This new legal framework also enables an overall increase in the EU Civil Protection Mechanism financial envelope of EUR 205 million for the remaining Multiannual Financial Framework period (2019–2020), which will partly be used to finance prevention and preparedness projects, training, exercises, peer reviews, advisory missions and exchange of experts in Neighbourhood and enlargement countries.

1.1.4. EU enlargement

The Commission continued to support enlargement countries to improve their readiness to join the EU. For example, on 6 February 2018, the Commission adopted the Strategy for 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans' ⁽¹¹⁾. This provided a major boost to the enlargement agenda and confirmed the firm merit-based prospect of EU membership for all countries in the region. At the same time, it stressed the urgent need to make progress on the rule of law, economy, reconciliation and good neighbourly relations. It also put forward concrete measures to increase EU engagement with the region.

The EU–Western Balkans Summit in Sofia on 17 May 2018 brought together the heads of state or government from EU Member States and leaders from the six Western Balkans partners. It focused on improving connectivity and security in the region. EU leaders reaffirmed their unequivocal support for the European perspective of the Western Balkans, and the Western Balkan partners recommitted themselves to this perspective as their **firm strategic choice**. The EU leaders agreed on the Sofia Declaration and the Sofia Priority Agenda ⁽¹²⁾, outlining new measures for enhanced cooperation with the region.

The annual enlargement package, consisting of a Commission Communication on the implementation of EU enlargement policy and seven country reports, was adopted on 17 April 2018.

¹¹ COM(2018) 65 final, 06.02.2018.

¹² https://www.consilium.europa.eu/media/34776/sofia-declaration_en.pdf.

In view of the progress made by the Republic of Albania and the Republic of North Macedonia, the Commission recommended opening accession negotiations with the two countries. On 26 June 2018, the Council responded positively to this progress and set out the path towards opening accession negotiations with the two countries in June 2019, provided further progress is made. The Council will discuss the Commission recommendations in October 2019.

There has been some re-engagement between the EU and Turkey in 2018, including a leaders' meeting in March 2018. The EU–Turkey dialogue was maintained on crucial issues of common interest, including migration, with a key role played by the implementation of the March 2016 EU–Turkey Statement⁽¹³⁾. However, due to the continued deterioration of the rule of law in Turkey, in June 2018 the Council noted that Turkey's accession negotiations have effectively come to a standstill, and no further work towards modernising the EU–Turkey customs union is foreseen. The implementation of the pre-accession assistance to Turkey took place in this challenging context, with a substantial reduction in funding due to backsliding by Turkey in key areas.

The EU Facility for Refugees in Turkey, established in November 2015, continued to enable 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. In 2018, results under the first tranche of funding, totalling EUR 3 billion, were already visible, with programmes benefiting over 2 million refugees. In July 2018, the Commission adopted a decision on a second tranche of EUR 3 billion to be committed in 2018–2019, with EUR 2 billion coming from the EU budget and EUR 1 billion from Member States' contributions. Programmes under the second tranche will reflect the protracted nature of the refugee situation and focus on inclusion and self-reliance. At the end of 2018, EUR 1.4 billion of the second tranche has been committed. This is a remarkable achievement and constitutes major progress in achieving the EU's objectives.

1.1.5. Security and defence

In 2018, the implementation of the EU's Global Strategy in the areas of security and defence focused on deepening cooperation through PESCO. This included legal acts as well as the launch of collaborative PESCO projects.

In June 2018, the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission (HR/VP), along with the Commission itself, proposed a European Peace Facility. It would provide the EU with an off-budget fund to finance all Common Foreign and Security Policy operational actions with military or defence implications, including partner country military capacity building and support for partner organisation peace operations to prevent conflict, preserve peace and strengthen international security.

The European Defence Industrial Development Programme was launched, and proposals were made by the Commission for a European Defence Fund. In November 2018, the mandate and staffing ceiling of the permanent operational planning and conduct capability for non-executive military missions were reinforced. Moreover, a 'civilian CSDP compact' was adopted by the Council, with 22 commitments to develop civilian capabilities, enhance the effectiveness of civilian CSDP missions and ensure a joined-up approach with other EU instruments.

¹³ <http://www.consilium.europa.eu/en/press/press-releases/2016/03/18/eu-turkey-statement/pdf>.

EU–NATO cooperation on countering hybrid threats focused on 20 out of 74 EU–NATO common actions. The Helsinki Centre of Excellence for Countering Hybrid Threats scaled up its support for EU and NATO staff, and exchanges continued on cyber concepts, training, threat indicators, alerts and assessments. The EU also contributed to NATO’s Building Integrity programme to help NATO partners in the EU Neighbourhood prevent corruption in defence- and security-related sectors.

EU–UN information exchanges have intensified. The agreement on ‘Reinforcing the UN-EU Strategic Partnership on Peace Operations and Crisis Management: Priorities 2019–2021’ has extended its scope from peacekeeping to other aspects of peace operations and crisis management.

The CBSD initiative introduced a previously missing element to the EU toolbox: the possibility in specific circumstances to support military actors in partner countries to enhance their capacity to prevent and respond to crises on their own. This contributes to national and regional stability, sustainable development and peaceful societies. In 2018, CBSD actions were approved in Central African Republic, Lebanon, Mali and Somalia, in particular to train and support military actors to contribute to the restoration of state authority and enhance the state capacity to deliver basic services in insecure areas. An operational risk assessment/management methodology was also developed to identify and mitigate the risk of unintended negative consequences of such EU support.

The 2018–2020 Multiannual Indicative Programme was approved for IcSP Article 4 (to support conflict prevention, peacebuilding and crisis preparedness capacities globally) and Article 5 (to assist in addressing global, trans-regional and emerging threats). Thus, several projects were launched to strengthen the resilience of communities and governments against violent extremism and terrorist attacks, including actions on anti-money laundering and counterterrorist financing. Interregional cooperation and countries’ capabilities to prevent and manage incidents involving chemical, biological, radiological and nuclear defence and explosive agents were also strengthened.

1.1.6. Crisis response and preparedness

Throughout 2018, the IcSP remained a key tool for EU diplomacy in crisis contexts and in its quest for stability, conflict prevention and resolution, and peacebuilding. All 42 new crisis response actions adopted responded directly to EU political priorities.

Commitments under the crisis response component of the IcSP amounted to EUR 254.1 million – a 55 % increase compared to 2017. Under the Annual Action Plan for conflict prevention, peacebuilding and crisis preparedness, EUR 33.7 million were committed to longer-term interventions. This component of the IcSP allowed for targeted support related to all major crises worldwide, including ongoing activities in 14 out of 16 countries listed as the ‘least peaceful’ of 2018 according to the Global Peace Index⁽¹⁴⁾: Afghanistan, Central African Republic, Democratic Republic of Congo, Iraq, Libya, Nigeria, Pakistan, Somalia, South Sudan, Sudan, Syria, Turkey, Ukraine and Yemen.

The 2018 Annual Action Programme also consolidated IcSP support to civil society in third countries to prevent conflicts and build peace while contributing to inclusive peace mediation and dialogue processes at local, regional and international levels. While many of the IcSP actions take place in

¹⁴ Global Peace Index 2018, Institute for Economics and Peace: North Korea and Russia are the only two ‘least peaceful’ countries not covered by the IcSP crisis response component.

areas suffering from prolonged conflicts, as outlined above, some address challenges in different contexts, such as in Lesotho, Madagascar, Nicaragua and Venezuela.

Crisis response actions adopted in 2018 included the first specific mine intervention in north-eastern Syria in areas liberated from Da'esh by the Global Coalition; considerable engagement to advance peace negotiations and support stabilisation actions in Central African Republic; continued support to the Organization for Security and Co-operation in Europe's (OSCE's) Special Monitoring Mechanism; innovative action on cybersecurity in connection with Ukrainian elections; and support related to the crisis in Venezuela, including help to neighbouring countries receiving refugees.

In addition, newly adopted actions in Central African Republic, Mali and Somalia, as well as ongoing programmes in Afghanistan, Bosnia and Herzegovina, Georgia, Kosovo⁽¹⁵⁾, Niger and Ukraine, directly complement the work of CSDP missions, thereby contributing to the implementation of the EU Integrated Approach in response to conflicts and crises. Furthermore, 2018 was the first year of implementation of CBSD actions following the 2017 amendment to the IcSP regulation. So far, five CBSD actions have been launched in four countries (Central African Republic, Lebanon, Mali and Somalia) under Article 3, and one action has been adopted under Article 4 to build regional centres for training in the areas of health, mine clearance or civil protection for military actors.

Work to coordinate international efforts in conflict and post-conflict settings continued with the UN and other international organisations, notably the World Bank. Initiatives to contribute to peacebuilding and stabilisation efforts in fragile mineral-rich areas (e.g. by promoting responsible sourcing and trading of gold and diamonds in West Africa and Central Africa) have continued: the EU used its rotating presidency of the Kimberley Process to attract additional attention. New support has also been identified in the area of transitional justice, where a new expert facility will provide fast and reliable access to experts and advisers for deployment in third countries.

1.1.7. Making a difference: New instruments and aid modalities

In order to finance the SDGs and respond to an increasingly complex world, development finance needs to rely on a combination of funding sources. To increase the impact of ODA, public and private funds must be leveraged as efficiently as possible. The EU must be ready to adapt and further develop its financial instruments and policy tools for investments outside the EU if it is to deliver on its ambitious commitments to sustainable development.

To this end, in 2017 the European Commission developed the EIP, a new EU initiative offering an innovative way to attract more investment, in particular from businesses and private investors, to countries in Africa and the EU Neighbourhood. At the core of EIP, the European Fund for Sustainable Development (EFSD) combines a new guarantee instrument (total EUR 1.54 billion) with two regional investment platforms (the Africa Investment Platform (AIP) and the Neighbourhood Investment Platform, NIP), which together account for EUR 2.6 billion, by blending EU financial support with loans and equity from eligible institutions that finance and manage development projects in countries outside the EU.

¹⁵ This designation is without prejudice to positions on status and is in line with UN Security Council Resolution 1244 (1999) and the International Court of Justice (ICJ) Opinion on the Kosovo declaration of independence.

The EFSD guarantee aims to support investments in less developed and more risky countries in Africa and the European Neighbourhood by attracting private sector players into sectors in which they do not traditionally get involved. Under the EFSD guarantee, the Commission provides partial guarantees to eligible financiers, who pass on the benefits of the guarantee to investment operations – directly or via local private banks, investment funds or microcredit institutions – to the end borrowers, such as MSMEs, through a wide range of financial instruments. These may include loans (including local currency loans), guarantees, counter-guarantees, capital market instruments, any other form of funding or credit enhancement, insurance and equity or quasi-equity arrangements.

As of 31 December 2018, 28 guarantees have been validated via the EFSD, mobilising EUR 1.54 billion from the initial guarantee of the EIP, with the expectation of unlocking EUR 17.5 billion in total investments in areas such as access to finance for MSMEs, energy and connectivity, agriculture, cities and digital.

The EU blending allocated for 51 projects in sub-Saharan Africa is expected to leverage nearly EUR 10 billion in sustainable investment and around EUR 9.5 billion for 43 projects in the Neighbourhood.

Overall, programmes and projects approved by the EFSD by the end of 2018 are expected to mobilise around EUR 37 billion in investment, bringing the EU close to its target of unlocking EUR 44 billion by 2020.

The first guarantee agreement was signed in December 2018 with the Dutch Development Bank (FMO) for the ‘Nasira’ Risk-Sharing Facility. As a result, the EU will extend to FMO a guarantee of up to EUR 75 million for its proposal. This will enable FMO to mobilise investment of around EUR 1 billion for the purpose of supporting migrants, displaced people and refugees, and youth, women and underserved entrepreneurs in particular. The aim of the facility is to create or support up to 800 000 jobs in partner countries.

Another of the guarantees will enable the French Development Agency (AFD) to provide affordable and sustainable credit to financially underserved producers and rural MSMEs. Projects enabled by the guarantee will lead to greater financial inclusion of rural populations while promoting environmentally responsible practices (i.e. climate-smart agriculture). These projects will also help transform partner financial institutions, improving their technical skills and the range of financial products available. The AFD estimates that the resulting projects will help to create or maintain at least 750 000 jobs and improve access to finance for around 400 000 people and agribusinesses, especially in the least developed and highly indebted countries.

1.1.8. Human rights and democracy

The 2030 Agenda reflects a human-rights-based vision, which is fully consistent with the EU policy framework¹⁶). While several SDGs make an explicit link between development and human rights and democracy (in particular SDG 5, SDG 10 and SDG 16), all are underpinned by human rights.

¹⁶ Promoting human rights and fundamental freedoms is a key EU foreign policy objective as stipulated in the EU Treaty (Articles 2 and 21 of the Treaty on the EU (TEU)).

The year 2018 marked the 70th anniversary of the Universal Declaration of Human Rights. In this landmark year, the EU reaffirmed its support to human rights, democracy and good governance throughout its financial instruments, both by reinforcing the rights-based approach to promote human rights and democracy in development cooperation – as a result of its underpinning in the new European Consensus on Development – and by dedicated support to human rights and democracy worldwide.

Against a backdrop of increased attacks on human rights and human rights defenders, protection of human rights defenders and support of civil society were emphasised, including enabling space for action (e.g. freedom of association and assembly, freedom of expression). In October 2018, the EU supported the Human Rights Defenders World Summit, bringing together over 150 human rights defenders in Paris, and reaffirmed its strong commitment to protect them worldwide. Through the European Instrument for Democracy and Human Rights (EIDHR) alone, more than 1 300 human rights defenders under threat received assistance from emergency funds. Furthermore, the EIDHR reinforced its emergency facility for civil society with an additional contribution of EUR 3.5 million⁽¹⁷⁾, and more than 250 new civil society human rights/democracy initiatives were supported worldwide (EUR 100 million). Special attention was given to some of the most difficult human rights issues, for example, in the context of ‘land-grabbing’ and climate change, extrajudicial killings and disappearances, forced labour and modern slavery, and freedom of religion and belief (approximately EUR 20 million). The European Endowment for Democracy, with renewed financial support from the EU, further extended its operations in the Neighbourhood, Turkey and the Western Balkans, with 103 new initiatives funded in 2018 in support of civil society, independent media and democracy activists.

Against a backdrop of continuing challenges to global democracy, the EU continues to reaffirm its commitment to democratic processes, launching programmes totalling more than EUR 41.7 million in some 30 countries in 2018. These programmes aim to support the electoral process and institutions, parliaments, political parties, civil society and wider democratic governance. The EU also deployed 9 fully fledged Election Observation Missions (EOMs), 10 Electoral Expert Missions (EEM) and 4 follow-up missions in 2018. EEMs aim to ensure that follow-up work focuses on the EOM recommendations for the improvement of electoral processes and thus they are increasingly important in the context of results-oriented management.

The launch of the pilot programme ‘INTER PARES’ (EUR 5 million) in 2018 aims to build capacity of partner country parliaments through peer-to-peer exchanges with EU Member State parliaments. In addition, the largest share of budget support – which represents 40 % of EU bilateral cooperation – goes to governance, providing an essential opportunity to reinforce dialogue in support of democracy, justice reforms and the rule of law. Moreover, in 2018, the EIDHR included for the first time a specific amount (EUR 5 million) to leverage digital technologies in support of global democracy via civic activism and participation.

In 2018, the EU also reinforced its commitment to counter violence against women and girls. The Spotlight Initiative – a EUR 500 million EU–UN strategic partnership – gained momentum with the commitment of an initial EUR 320 million to eradicate all forms of violence against women and girls in Asia, sub-Saharan Africa, Latin America, the Caribbean and the Pacific.

¹⁷ https://ec.europa.eu/europeaid/sectors/human-rights-and-governance/democracy-and-human-rights/human-rights-defenders_en.

1.2. Fostering sustainable development

1.2.1. Implementing the 2030 Agenda comprehensively and coherently

The 2017 European Consensus on Development aligns the EU with the 2030 Agenda for Sustainable Development and the SDGs, the Addis Ababa Action Agenda on financing for development and the Paris Agreement on climate change. The Consensus is set out in the framework of EU external action provided by the Treaty on the European Union (Article 21 on external action) and the Treaty on the Functioning of the European Union (Articles 208–211 on development) and in the EU Global Strategy. The Enlargement and revised European Neighbourhood Policies also contribute to achieving the SDGs.

It is in the EU's interest to play a leading role globally in the implementation of the 2030 Agenda through its external action – doing so will foster a stronger and more sustainable, inclusive, secure and prosperous Europe. The EU's robust commitment to the SDGs signals its support of multilateralism.

National governments are responsible for implementing the 2030 Agenda. However, the EU will continue to engage actively with partner countries through policy dialogues based on the SDGs, making use of national development plans and voluntary national reviews of SDGs.

This goes hand in hand with the EU objective to promote joint programming with the Member States and enhance cooperation with the UN. In accordance with the Consensus, the Commission is continuously updating reporting systems for consistency with the 2030 Agenda's follow-up processes and indicators and is working closely with Member States for greater impact at country level – through joint programming, joint implementation and joint results frameworks – in line with the 'Working better together' commitment. The Commission also played a key role in forging the renewed Partnership in Development between the EU and the UN, adopted in September 2018, in support of accelerated SDG implementation at country level.

In response to the 2030 Agenda, the EU has revised its International Cooperation and Development Results Framework and will report on this annually. To assess progress in partner countries, the indicators for this revised framework have been based, where possible, on the internationally agreed indicators for the SDGs.

SDGs are also reflected in major initiatives such as the proposal for a new external financing instrument – the NDICI – and the EU's new partnerships with Africa, the Caribbean and the Pacific, that will succeed the Cotonou Agreement after 2020 and should work towards fulfilling the SDGs.

Getting the private sector fully on board and boosting sustainable investment beyond the EU's borders remains a priority. The European EIP, an important initiative designed to contribute to the achievement of the SDGs, ensures an integrated approach to boosting investments in Africa and in the European Neighbourhood with a focus on conflict- and violence-affected and fragile countries, landlocked countries and the least developed countries (LDCs) that are in greatest need.

1.2.2. The means of implementation of the new agenda

In line with the Addis Ababa Action Agenda, the EU has a comprehensive and integrated approach to mobilising financing from all available sources (public and private, domestic and international) as

well as promoting other means of implementation, including the establishment of good policies and policy coherence for development, which are needed to fulfil the SDGs.

In 2018 the Commission published its report 'Investing in sustainable development', in which it presented progress made by the EU and the Member States towards meeting the commitments of the Addis Ababa Action Agenda between 2015 and 2017. Presented by Commissioner Mimica at the 2018 UN Financing for Development Forum, the overall message of the report is that the EU is collectively on track to meet most of the commitments by 2030 if current efforts are maintained. While the 2018 figures show that the EU and its Member States remain the world's largest providers of ODA, more effort needs to be made in some areas, notably providing ODA to the LDCs.

Budget support is central to the EU's international cooperation policy: it accounts for around 40 % of EU bilateral assistance and is used in 91 countries or territories; it provides a platform for policy dialogue and creates synergies with other aid modalities; it contributes to strengthening country systems and budget processes in the context of SDG implementation; and it offers additional fiscal space for necessary actions or reforms, rewarding performance when results are met. Investments, blending or guarantees are supported by budget support contracts, which strengthen the economic framework.

Other EU achievements in 2018 include bringing together aid, investment, trade, domestic resource mobilisation and policies designed to unlock the full potential of all financial flows. Through the EIP, the EU encourages investments in partner countries in Africa and the EU Neighbourhood region. The EIP is expected to leverage at least EUR 44 billion in investment in sustainable development in Africa and the countries neighbouring the EU by 2020. With the establishment of the EFSD, a key innovation is the increased importance of investments underwritten by a new External Action Guarantee. The EU allocated the entire EUR 1.54 billion guarantee of the EFSD to 28 projects and signed the first guarantee agreement for a project designed to unlock financing for entrepreneurs in sub-Saharan Africa and the EU Neighbourhood. The EU also allocated EUR 2.2 billion to blending operations in an effort to leverage other sources of public and private finance. Through these instruments, the EU supports actions to prevent climate change and promote the social and economic empowerment of women.

Given the importance of the private sector as a contributor to inclusive growth and creation of decent jobs, the EU has taken measures to promote local PSD in partner countries. Through assistance for investment climate reforms, lending and venture capital facilities and technical assistance to businesses (including MSMEs), the EU is promoting attractive policy environments. Moreover, support for mobilisation of domestic resources is helping to improve the transparency, fairness, effectiveness and efficiency of tax systems in partner countries.

The EU is helping partner countries make the most of the diverse financing sources available to support SDG implementation (including Development Finance Assessments). It is also facilitating the process of ODA modernisation and the development of the Total Official Support for Sustainable Development (TOSSD) statistical measure to help identify available means of implementation (e.g. investment, private mobilised resources, South–South and triangular cooperation and financial flows) for emerging donors. An international task force co-chaired by the European Commission has advanced the drafting of reporting instructions for the TOSSD.

1.2.3. Working better together with Member States

Working better together for the SDGs is about the EU developing a European approach for development cooperation in a partner country that adds value to collective bilateral development cooperation, both in terms of policy dialogue and technical and financial support. The key components that strengthen this framework are joint programming, joint results frameworks and joint implementation.

By December 2018 there were 23 Joint Programming Documents in place globally, and intensified efforts to reach the same level of commitment were underway in another 17 partner countries. To further support and facilitate joint programming, the EU Joint Programming Guidance was published in 2018, providing a basis for training EU staff. Work was undertaken during the year to document current experiences and practices as well as to provide recommendations on joint programming in conflict-affected and fragile states, joint programming in support of the SDGs and use of joint results frameworks. These efforts were further complemented by production of joint programming case studies, stories and videos from the field. The Global Learning Event on Joint Programming, which shared knowledge among practitioners, and a joint mission by the EU and Member States to Mali, also signalled closer European collaboration in development cooperation and external actions. Cooperation between the EU and the Practitioners' Network for European Development Cooperation continued with a focus on the efficiency and effectiveness of joint implementation. Also in 2018, Joint Programming Documents were launched in Côte d'Ivoire, Ghana, Kenya and Senegal.

1.2.4. Policy Coherence for Development

In all the policies that it implements, the EU is committed to embracing the objectives of development cooperation likely to affect developing countries. This is known as Policy Coherence for Development (PCD) and is enshrined in the Treaty on the Functioning of the European Union.

Through this commitment, the EU aims to minimise contradiction, build synergy among its different policies to the benefit of partner countries and increase the effectiveness of development cooperation.

As highlighted in the 2017 European Consensus on Development, PCD is an important contribution to the achievement of SDGs by partner countries and to the broader objective of policy coherence for sustainable development.

Given that implementation of the 2030 Agenda requires a whole-government approach and coordination efforts at all levels, work on PCD has been integrated into the Commission's work on implementation of the 2030 Agenda across all its policies. PCD is an important interface between internal and external implementation of the 2030 Agenda.

To reflect this new approach, the Commission adapted its reporting on PCD by integrating it into the overall EU reporting on the SDGs. In 2018, the Commission collected input from Member States and started drafting the 2019 EU report on PCD. In addition, the scope of PCD has been broadened beyond the traditional five strategic challenges (trade and finance, climate change, food security, migration and security) to reflect the new dynamics of the SDGs and the requirements of the Consensus.

The Commission promoted PCD in this new policy framework internally and with Member States, the European Parliament and civil society.

Reporting from EU delegations on PCD issues was further reinforced to get better evidence on the impact of EU policies in partner countries.

Work on the strategic evaluation of PCD, covering the period 2009–2016, started in 2016. The Commission took account of the external evaluation and prepared a Staff Working Document to present its conclusions.

1.2.5. Development effectiveness

The EU, along with its Member States, is actively engaged in improving aid and development effectiveness. It adheres to the commitments of successive high-level forums on aid development expressed in various declarations, the last one being the Nairobi Outcome Document from the second High-Level Meeting of the Global Partnership in 2016.

In the new European Consensus on Development, the EU and its Member States reaffirm their commitment to apply the key principles of development effectiveness: ownership of development priorities by partner countries; focus on results, transparency and accountability; and inclusive development partnerships. The EU coordinates and supports Member States in the implementation of these principles, promoting a European approach that allows common positions and practices to be developed in light of the 2030 Agenda.

In particular, the Commission has contributed in the areas of implementing and enhancing development effectiveness at country level. The Commission supports the Global Partnership for Effective Development Cooperation (GPEDC) goals and actively promotes the application of development effectiveness principles across all development cooperation and aid modalities.

The Commission also directly contributes to, discusses and promotes use of the evidence generated by the GPEDC Progress Reports (2016 and 2018). The reports are used to monitor implementation of the development effectiveness principles through country-led and country-based processes, as a tool for mutual accountability.

The Commission also launched studies to explore how to improve access to procurement by local contractors, support the use of country systems and increase the impact on results of development effectiveness principles. In addition, following discussions among Development Assistance Committee (DAC) members, a revised DAC Recommendation on Untying ODA was approved, resulting in wider coverage of eligible countries.

1.3. Working together towards the SDGs – policy level

1.3.1. SDG 1 No poverty

Introduction

The 2030 Agenda for Sustainable Development, with the 17 SDGs at its core, is the principal international blueprint for poverty eradication and sustainable development.

The primary objective of the new European Consensus on Development is poverty reduction. EU work across the SDGs contributes to eradicating poverty in all its dimensions. It requires an approach

that addresses the related issues of inequality, exclusion and discrimination and has a special focus on the poorest and most vulnerable sections of society: growth must be inclusive and sustainable.

Tackling poverty in all its dimensions requires actions on all fronts (including education, health, social protection, gender equality, strengthening resilience, etc.). To reduce economic and social inequalities, the EU supports development of policies that seek to maximise positive social outcomes and impacts. In this context, domestic resource mobilisation is seen as key to ensuring long-term inclusive growth, poverty eradication and sustainable development.

The links between poverty, conflict, fragility and forced displacement are also addressed in a comprehensive manner. This requires merging actions on human rights, food security, rule of law, good governance, environmental degradation, displacement, peace, security, etc. While the focus is kept on poverty eradication, the Consensus commits to a comprehensive approach to conflict and crises. The EU tackles extreme poverty in fragile situations through its conflict early warning system and better use of transition strategies that recognise the nexus between sustainable development, humanitarian action, peace and security.

Ultimately, all development cooperation initiatives are designed to contribute to the overarching SDG 1. Poverty eradication is considered to be the result of many interacting activities.

Overview and trends

The reduction in extreme poverty is one of the global success stories of the past 30 years. However, significant areas of extreme poverty remain. The number of people living on less than USD 1.90 a day has fallen to a record low of about 655 million (around 9 % of the world's population), but without significant shifts in policy, there will still be about 480 million people (approximately 6 % of the world's population) in extreme poverty in 2030. In 2030, poverty is expected to be concentrated in the LDCs and conflict-affected countries, particularly in sub-Saharan Africa. Poverty is not just an issue for developing countries – in 2018, 6.2 % of Europeans were suffering severe material deprivation.

In the context of the new European Consensus on Development, the EU is committed to allocating at least 20 % of its ODA to social inclusion and human development. Given the expected concentration by 2030 of extremely poor people in fragile and conflict-affected regions, the EU continues to strengthen ways to address the needs of the poor in those regions.

Although poverty has reduced, the related challenge of inequality within countries has increased almost everywhere. Of the 10 most unequal countries in the world, 7 are in sub-Saharan Africa.

The EU attaches great importance to the link between humanitarian aid – as a rapid response measure in crisis situations – and more medium- and long-term development action. More than 68 million people were forcibly displaced in 2018, and most of them were hosted in developing countries with limited resources. Protracted displacement – that is, lasting five or more years – has become the norm. Forcibly displaced people rely for years on humanitarian assistance despite this not being designed to cater for long-term displacement. Throughout 2018, the EU continued to prevent forced displacement from becoming protracted and to gradually end dependence on humanitarian assistance in existing displacement situations by fostering self-reliance and enabling the displaced to live in dignity.

At policy level, the EU actively contributed to the process that led to the adoption of the Global Compact on Refugees and the Global Compact for Migration by the end of 2018.

Case studies

The EU's use of budget support to eradicate poverty

The EU implements some 270 budget support programmes in 90 countries or territories. These are fully aligned with partner countries' own development policies, priorities, objectives and country systems in the context of SDG implementation. Since 2003, EU budget support beneficiaries have achieved strong gains in terms of reducing extreme poverty. Some budget support programmes directly support national strategies for development and poverty reduction, aimed at tackling various root causes of poverty; others contribute to the implementation of specific policies in given sectors. Also in this context, the EU policy dialogue and performance monitoring pays particular attention to pro-poor measures advocating for policies that are inclusive in their design and effectively address social or geographic disparities, including fiscal and tax policies. Moreover, EU budget support increasingly focuses on low-income countries⁽¹⁸⁾. In 2017, 37 % of total commitments were allocated to low-income countries compared to 26 % in 2014. This includes helping fragile states to rebuild basic state functions and to improve their resilience.

¹⁸ The World Bank assigns the world's economies into four income groups – low, lower-middle, upper-middle and high – based on GNI per capita calculated using the Atlas method. The unit for this measure is current US dollars. New thresholds are determined at the start of the Bank's fiscal year in July and remain fixed for 12 months, regardless of subsequent revisions to estimates. From 1 July 2018, the thresholds for classification by income were: less than 995 (low); 996 to 3 895 (lower-middle); 3 896 to 12 055 (upper-middle); over 12 055 (high). Source: <https://blogs.worldbank.org/opendata/new-country-classifications-income-level-2018-2019>.

European Commission, OECD, Finland and Germany: EU Social Protection Systems Programme

Launched in January 2015 and co-financed by the European Commission, the OECD and the governments of Finland and Germany, this is a four-year programme supporting 10 low- and middle-income partner country governments and national expert institutions in their efforts to develop comprehensive social protection systems comprising social assistance, social insurance, active labour market measures and access to essential social services and care. Partner countries include Cambodia, Ethiopia, Indonesia, Kyrgyz Republic, Mozambique, Namibia, Tanzania, Togo, Vietnam and Zambia. Joining forces with international organisations already working with the governments in these countries was central to the EU Social Protection Systems Programme Strategy.

The programme provides support through a combination of:

- country-driven technical assessments; for example, systemic capacity assessment and development;
- development of country-specific analytical tools to assess the current status and potential pathways for the social protection system;
- strengthening capacity for policymakers and practitioners.

One of the aims of the programme is generating evidence-based knowledge, for future EU cooperation and for use by other development partners, on the effectiveness of social protection in reducing poverty and vulnerability, addressing inequality and promoting social cohesion.

1.3.2. SDG 2 Zero hunger

Introduction

As of December 2018, if current trends continue, SDG 2 is unlikely to be achieved by 2030. World hunger and food insecurity have been on the rise in the past few years, following earlier improvements. This increase can largely be attributed to conflicts, natural disasters and climate change. According to the 2018 Global Report on Food Crises, 821 million people were suffering from hunger and malnutrition and more than 124 million people in 51 countries were in food crisis situations. The EU and its Member States have been working with partners to address hunger in all its forms, including by promoting sustainable and resilient agriculture. Agriculture and rural development can be powerful drivers of growth, job creation and poverty reduction and therefore contribute to other SDG targets as well.

Overview and trends

Support for growth of sustainable agricultural includes initiatives focused on scaling up research and innovation. The Development Smart Innovation through Research in Agriculture (Desira) initiative, launched at the One Planet Summit in December 2017, has regenerated momentum following consensus over the benefits of boosting climate-relevant research and innovation in agriculture. The EU continues its support in 2018 both by providing a platform and by mobilising around EUR 140

million to stimulate innovation at country, regional and global levels to transform agriculture in rural areas.

New activities were developed in 2018 regarding agro-ecological intensification and agroforestry, livestock, water management in farming systems, pest and disease surveillance, carbon sequestration and agriculture knowledge and innovation systems in more than 20 countries. In September, the EU hosted a conference together with the Food and Agriculture Organisation (FAO) and the World Organisation for Animal Health (OIE) to help eradicate a virus that kills millions of sheep and goats each year. At the conference, over 45 countries renewed their commitment to globally eradicate *peste des petits ruminants* by 2030. In 2018, the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) started its operations to develop innovative solutions for the sustainable management of water and agro-food systems, with the support of the EU, the Member States and key Mediterranean partner countries. The Horizon 2020 framework programme contributed EUR 220 million.

Building resilience has been a key component of EU support for agriculture and food and nutrition security. In September, the EU heralded this approach at the UN General Assembly with a signing ceremony to support the work of the Global Network against Food Crises. Having spearheaded the Global Report in 2016, the EU, together with the FAO, the World Food Programme and additional partners, produced the 2018 Global Report on Food Crises. Based on this report, and through the EU's flagship resilience initiative PRO-ACT (Pro-Resilience Action), EU involvement in 18 countries will support resilience building in tandem with humanitarian responses.

The EU plays a key role in supporting investments in agriculture and agri-food systems and making sure that these are administered responsibly, that issues such as land governance receive sufficient attention and that farmer organisations receive due support. As of 31 December 2018, the EU supports land governance actions in about 40 countries and contributes to secure access and use of land for men and women, which is crucial for sustainable development, food security and an inclusive and vibrant agricultural sector. By the end of 2018, on top of grants, a further EUR 215 million had been provided to leverage additional private funding and support investments for MSMEs.

In October, the EU published its 'Progress report on the Commission's action plan on nutrition'. The EU is on track to fulfil its two commitments. It has already allocated 71 % of the EUR 3.5 billion target, as a result of which 4.7 million children will have been averted from stunting by 2025. Despite this being more than double the 2017 calculation of 2 million, 151 million children under the age of 5 will continue to suffer from stunting.

In the third biennial report, 'Implementing EU food and nutrition security policy commitments', published in October 2018, EU donors' overall alignment with EU policy priorities is analysed according to two themes in particular: climate-resilient approaches and nutrition-sensitive agricultural practices. The report shows that annual financial contributions from the EU and its Member States to food and nutrition security increased to EUR 4.2 billion – an increase of 14.7 % since 2014 and 24.8 % since 2012. Genuine efforts are made to ensure that support is climate-sensitive (over 43 % promotes climate change adaptation) and gender-sensitive (over 57 % promotes gender equality and women's empowerment).

Following publication of that report, the Council adopted important conclusions in ‘Strengthening global food and nutrition security’ (14554/2018). Adopted in November 2018, they call on the EU and its Member States to continue collaborating to improve the coherence and effectiveness of development cooperation.

Another important achievement was the International Fund for Agricultural Development’s (IFAD) release of the ABC Fund as a private impact investment fund with support from the EU (EUR 45 million).

Case studies

Empowering women and strengthening resilience

The ‘Resilience building and creation of economic opportunities in Ethiopia (RESET II)’ programme is a Commission services’ initiative that aims to address the root causes of displacement and irregular migration in eight drought-prone areas of the country. With a budget of EUR 48.3 million from the EU Trust Fund (EUTF) and Austria and the Netherlands, the programme is implemented by eight consortia of around 30 non-governmental organisations (NGOs) coordinating closely with federal and local government institutions for the period 2016–2020.

Although the central role of women in resilience building is widely recognised, a strong gender dimension has been lacking, prompting technical support from Commission services to strengthen the gender focus of RESET II. Activities have included fieldwork in two clusters, each incorporating a self-assessment survey of gender-responsiveness, and participation in an experience-sharing workshop organised by the EU delegation.

Gender transformative approaches include: activities to promote positive behaviour change; engaging with men and women on nutrition training, family planning and gender-based violence; and supporting women in leadership to act as role models for others. Implementing partners are confident that these initiatives are having a positive impact on women’s empowerment and resilience. Beneficiaries cite more opportunities for women to engage in income-generating activities, increasing their voice in decision-making (inside and outside the home), more positive attitudes towards supporting girls in school and greater harmony in the home.

Diversifying diets and livelihoods

The World Agroforestry Centre (ICRAF) is a research centre co-funded by the EU and IFAD, which has a project in Kenya called the 4K club. Implemented in partnership with local NGOs in Machakos (100 km south-east of Nairobi) 50 students cultivate a diverse, nutritious and healthy food system in their school garden.

The fruit and vegetables from the garden are used to provide healthy school meals. Clubs from surrounding communities also participate in the project by taking saplings and seeds home for their own farms; thus the project is helping to tackle malnutrition issues at the community level.

As of 31 December 2018, the Nutrition Food Portfolio has been developed for 16 sites across Ethiopia, Kenya and Uganda. Participants in such projects improve their diets and can generate additional income by selling their produce.

1.3.3. SDG 3 Good health and well-being

Introduction

The EU supports progress towards SDG 3 through a comprehensive range of EU instruments (bilateral programmes on health, population, gender and nutrition) and contributions to global initiatives, UN agencies and civil society organisations (CSOs), working closely with other EU services and Member States. Effective health policy and programmes require complementary work and progress in other sectors and SDGs, such as SDG 2 (nutrition), SDG 4 (education), SDG 5 (gender equality and women's empowerment) and SDG 10 (reducing inequalities). At the same time, good health is an essential component of the human capital of each country, and hence a co-determinant for its economic and social development. The EU and its Member States support partner countries in pursuing a 'health in all policies' approach and encourage cross-sectoral and coordinated efforts aimed at effectively and sustainably improving the quality, coverage and affordability of healthcare for all.

Overview and trends

Health aid amounts to EUR 2.6 billion in the period 2014–2020, of which 50 % is allocated to global initiatives, while the other 50 % is implemented through bilateral and joint EU actions in 17 countries⁽¹⁹⁾, aimed at strengthening country health systems and supporting countries to reach their SDG 3 targets, including universal health coverage. Many of the 43 countries that received EU health aid from previous financial frameworks are still benefiting from programmes with a similar objective of sustainably strengthening country systems and ensuring the most vulnerable and marginalised population groups are being reached, including children under the age of five, adolescents and youth, and pregnant and breastfeeding women. Sexual and reproductive health and rights (SRHR) are priority areas for support, as reflected in the new European Consensus on Development and the second EU Gender Action Plan (GAP II) (2016–2020), and represent an entry point for gender equality and the empowerment of women. An estimated 30 % of EU health aid is spent on reproductive, maternal, neonatal, child and adolescent health (EUR 469 million in 2017).

Contributions to global initiatives – e.g. the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM); Gavi, the Vaccine Alliance; the Universal Health Coverage Partnership of the World Health Organization (WHO); the United Nations Population Fund (UNFPA) – ensure that the EU plays a significant role in shaping the international policy agenda. The Commission has pledged EUR 475 million to the Global Fund for the period 2017–2020. This represents about 5 % of total resources spent and, in 2017, helped put 11.5 million people on life-saving HIV treatment, detected and treated 5 million cases of tuberculosis (including treatment of 102 000 people with drug-resistant tuberculosis), distributed 197 million mosquito nets to prevent malaria and treated 108 million cases of malaria⁽²⁰⁾. The Commission's support to Gavi (EUR 200 million for 2016–2020, representing about 2 % of total resources spent) helped to immunise 65 million children in 2017⁽²¹⁾. Through the

¹⁹ Afghanistan, Belize, Burkina Faso, Burundi, Central African Republic, Democratic Republic of Congo, Ethiopia, Grenada, Guinea Bissau, Guinea Conakry, Libya, Mauritania, Morocco, Nigeria, South Sudan, Tajikistan and Zimbabwe.

²⁰ https://www.theglobalfund.org/media/7741/corporate_2018resultsreport_report_en.pdf.

²¹ <https://www.gavi.org/progress-report/>.

Framework Programme for Research and Innovation, the EU has supported the European and Developing Countries Clinical Trials Partnership (EDCTP) with EUR 500 million since 2003. Furthermore, the Commission provided a grant to WHO of EUR 28 million during the period 2016–2018 in support of the Universal Health Coverage Partnership programme. The programme contributed to improving donor coordination and aid effectiveness and to strengthening health systems in 28 partner countries. The EU's contribution to the UNFPA Supplies Trust Fund (two grants, totalling EUR 45 million, for 2016–2020) helped improve access to SRHR, including family planning in 46 mainly low-income countries. In 2017, the programme reached 15 million women with quality family planning services. The contraceptives provided had the potential to avert 7.5 million unintended pregnancies, 18 000 maternal deaths, 114 000 child deaths and 2.3 million unsafe abortions⁽²²⁾. In November 2018 the Commissioner pledged EUR 26.5 million to the World Bank Global Financing Facility as a contribution towards innovative work aiming to bridge the financing gap and improve health outcomes for women, children and adolescents.

In the framework of enlargement negotiations, the Commission services supported countries to align to the EU *acquis communautaire* and standards. Through the Instrument for Pre-Accession (IPA and IPA II), support was provided to Bosnia and Herzegovina to transform care institutions (EUR 1 million), to North Macedonia to analyse secondary and tertiary health system effectiveness (EUR 0.6 million) and to Montenegro for the construction of a new health facility, to support early childhood development, to reform the national disability determination system and to purchase microbiology equipment (EUR 8.5 million).

The EU also supported actions against global health threats, such as air pollution and antimicrobial resistance (AMR), and strengthened preparedness and responsiveness of countries' national health systems against epidemics. It provides around EUR 200 million every year to support humanitarian health programmes. Under the EU's Partnership Instrument, EUR 9 million has been allocated to address AMR in seven Latin American countries through development of national 'One health' action plans. The EU's Framework Programme for Research and Innovation, Horizon 2020⁽²³⁾, covered research on poverty-related and neglected infectious diseases as well as regional initiatives, such as the second EDCTP programme (EDCTP2)⁽²⁴⁾ and other multinational initiatives. By the end of 2018, Horizon 2020 supported 104 research projects worth EUR 431 million, and EDCTP2 supported 125 projects related to accelerating the development of medical interventions with a total estimated value of EUR 264 million. These included 35 multicentre 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. The EDCTP also continued to fund projects to strengthen ethics reviews and the regulatory framework for conducting clinical research, as well as fellowships to strengthen research capacity, promote scientific excellence and leadership. As of December 2018, 58 individual African fellowships (39 male and 19 female) have been funded to promote scientific excellence and leadership, the Alumni Network platform was launched and renewed funding was provided for four regional networks of excellence focused on research capacity development.

²² https://unfpa.org/sites/default/files/pub-pdf/UNFPA_Supplies_Annual_Report_2017_FINAL.pdf.

²³ http://ec.europa.eu/research/participants/data/ref/h2020/legal_basis/fp/h2020-eu-establact_en.pdf.

²⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0556&from=EN>.

Case studies

Progress towards universal health coverage and improved health equity in Bangladesh

The **Supporting Public Health Institutes Programme** (SPHIP) (2015–2020) strengthens institutes of public health in low-income countries to assist national authorities with evidence-based policymaking in key public health areas. In Bangladesh the SPHIP project is tackling health inequalities, focusing on the urban poor. About one third of the urban population lives in slums, with poor access to health services and deteriorating health and nutrition conditions.



The Bangladeshi International Centre for Diarrhoeal Disease Research, working closely with the Ministry of Health, collated evidence and strengthened the capacity of decision makers to exploit the evidence to advocate for and implement policies that improve the health of the urban poor.

Key results include:

- stronger public health institutions able to promote evidence-informed policymaking;
- increased dialogue between scientists, policymakers and the general public on urban health;
- formulation and implementation of new policies on urban health, resulting in more effective and equitable distribution of health services.

More information is available at <http://www.share4health.com/>.

Boosting support to improve health outcomes for vulnerable women and children in northern Nigeria

Since 2013, the EU, in close partnership with Unicef, has been supporting health authorities in two northern states with a EUR 30 million programme to address high maternal, newborn and child mortality. An additional EUR 50 million (2016–2020) extends coverage of the programme.

Key results include:

- enhanced policy dialogue and strategic planning with health authorities and humanitarian and development actors and establishment of community accountability platforms;
- strengthened community systems for management of common health conditions;
- improved access to quality maternal, newborn and child health and nutrition services at primary care facility level through upgrading of facilities and capacity building of staff, and enhanced outreach to communities.



A mother brings her baby for growth monitoring
Jega PHC, Kebbi State © Unicef/Nigeria/2018

1.3.4. SDG 4 Quality education

Introduction

The EU continued its proactive engagement towards achieving SDG 4, supporting around 100 countries through a number of funding instruments and offering other support to global education partnerships. For the 2014–2020 programming period, around 60 partner countries either included education as a focal sector in their Multiannual Indicative Programmes or had cooperative programmes with an education component. Bilateral support for education at country level is provided by several programmes or projects and implemented through a mix of complementary modalities. Of the education focus programmes, 21 provide budget support, which contributes typically to strengthening education systems and enabling governments to achieve their strategic goals.

Overview and trends

The EU, together with its Member States, is the biggest contributor to the Global Partnership for Education (GPE), which supports basic education, focusing on the poorest countries and/or those in fragile situations. For 2018–2020, an additional EUR 100 million was pledged, on top of the EUR 375 million for 2014–2018. GPE's priority is to provide all children access to education. Through its support for the GPE, the EU has contributed to the enrolment of millions more children in school.

Through the 'Erasmus+' programme, the EU continued to support partner countries to enhance the employability of individuals and to reinforce intercultural dialogue and understanding. Between 2015 and 2017, under 'Erasmus+' mobility in higher education, thousands of students and university

staff moved between Europe and the Neighbourhood South countries (32 000); the Western Balkans (27 000); the Eastern Partnership countries (24 000); Asia (18 000); Africa (14 000); Latin America and the Caribbean (5 000).

Between 2014 and 2017, hundreds of scholarships for joint master's degree programmes were awarded to: African, Asian and Latin American students (2 978); students from the southern Neighbourhood (476); students from the Eastern Partnership countries (376); and students from the Western Balkans (295).

Furthermore, projects for capacity building in higher education were funded to modernise and reform higher education institutions, develop new curricula, and improve governance and build relationships between higher education institutions and enterprises, focusing on: the southern Neighbourhood (953); the Eastern Partnership (304); Africa, Asia and Latin America (254); and the Western Balkans (68).

The EU also contributes to Building Resilience in Crises through Education (BRiCE) and Education Cannot Wait (ECW). BRiCE supports access to quality education to preschool, primary and lower secondary levels for children in fragile and crisis-affected environments in several African countries, with EUR 24 million contributed for 2018–2021. The ECW fund supports education in crisis situations. With an EU contribution of EUR 16 million, it helped to reach more than 650 000 children during its first year of operation (2017–2018).

Harnessing education's unique transformational potential is essential for delivering on the EU's commitment to leave no one behind. In this context, education in emergencies remained a political priority for the EU throughout 2018. In May 2018, the European Commission issued the Communication on Education in Emergencies and Protracted Crises for an increasingly coordinated Humanitarian–Development Nexus approach and clear strategic priorities. Besides the substantial development funding, in 2018 EU humanitarian aid has continued to scale up its budget for education in emergency actions to 8 % of the humanitarian budget, amounting to over EUR 90 million. Through this funding, the EU provided support to girls and boys of primary and secondary school age in over 30 countries. At the G7 Charlevoix Summit, the EU pledged to invest EUR 72 million over three years to promote equal access to quality education and learning opportunities.

Case studies

European School in Tbilisi

Context

The establishment of the first European School in the Eastern Partnership in Tbilisi is part of the broader regional effort to address the needs of young people. It is a priority project in the context of the European Neighbourhood East cooperation which, as part of the Eastern Partnership '20 Deliverables for 2020', constitutes a key element of the Youth Package endorsed at the Eastern Partnership Summit of November 2017. The Youth Package is designed to bring together various actions into a comprehensive set of measures addressing the educational, social and economic challenges facing young people in the Eastern Partnership region.



Objectives

The Youth Package aims:

- to support young people in improving their professional opportunities through education;
- to offer a high-quality secondary diploma course to pupils from Eastern Partner countries;
- to base the educational approach on the European School system, bringing together the excellence of the International Baccalaureate Diploma with a focus on European studies;
- to promote cooperation, multicultural understanding, tolerance, fundamental values and a better understanding of the EU and its engagement in the region.

Impact

With the support of the EU's 28 Member States and Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, the Eastern Partnership European School opened its doors in September 2018 to 30 students aged 16–17 from the six Eastern Partnership countries.

These students passed a rigorous, merit-based selection process to obtain scholarships for their diploma studies. They now have the opportunity to engage in European studies and consider EU issues in a multilingual and multicultural environment, through academic courses and extracurricular activities.

Since its opening in September, the school has generated a lot of interest in Georgia and elsewhere in the region. The 30 scholarship students reported very positive experiences at the end of the first academic term, and as of December 2018, faculty members report that academic performance has been very high. In addition, 24 other students (not funded by the EU scholarship programme) chose to follow a 'European Studies' focus, which is evidence of the interest in the programme itself. A new call for applications for the 2019/20 scholarships is in progress, and the intention is to increase the number of grants approved.

Iraq – capacity building in primary and secondary education to improve quality and equality

Context

In Iraq, conflict and the almost tripling of the population in the last 30 years resulted in an inadequate supply of quality education. There are also new pressures from the influx of Syrian refugees and the movement of internally displaced persons (IDPs), particularly to Kurdistan. Although the enrolment rate for primary school is 91 %, only 44 % complete on time, with wide discrepancies in both enrolment and completion between governorates, gender and urban/rural populations.

Actions

- Implement quality assurance of schools according to defined standards with a focus on issues of inclusion, gender and IDPs to ensure schools are able to respond to emerging needs.
- Build capacity to enhance the curriculum.
- Support teacher development around inclusive pedagogies for excluded groups, and revise how teachers are distributed throughout the country, with a focus on language/cultural issues.

Impacts

- Financial aid for greater inclusion;
- Advocacy by parents and teachers;
- Increased parent–school dialogue.

Nepal – budget support

Context

Almost 10 % of the school population in Nepal — divided equally between girls and boys — still do not attend school. A rather complex mix of causes, such as ethnicity, poverty, disabilities, discrimination and language, keeps these children out of school. The EU support is enabling Nepal to make its schools more inclusive at a quicker pace.

Actions

- The EU is supporting the government to expand equitable access to schools and to improve the quality, governance and resilience of the education system.
- EU policy dialogue focuses particularly on three dimensions: early grades, disaster risk reduction and equity.
- Targeted interventions are being implemented in the most disadvantaged districts to reduce the number of children not in school and to improve the learning achievements of the most vulnerable groups.

Impact

- Children from the poorest households, children with disabilities and children from deprived communities will benefit from the Consolidated Equity Strategy, developed by the Ministry of Education with the support of the EU and other development partners to tackle inequality in school education.

1.3.5. SDG 5 Gender equality

Introduction

Gender equality and empowerment of women and girls have been core values and principles of the EU since its foundation and key to EU development policy, as well as international relations policy, and they feature prominently in the new European Consensus on Development as a key value and principle of EU external action. GAP II identified three main priority areas: i) Ensuring girls' and women's physical and psychological integrity; ii) Promoting women's and girls' socioeconomic and cultural rights; iii) Strengthening girls' and women's voice and participation in all decision-making processes, in all settings and at all levels.

Overview and trends

Commission services contributed substantially to the operationalisation of the 2030 Agenda in the field of gender equality. The GAP II implementation is fully underway, and the second report covering 2017 was published in October 2018. It shows progress and actions taken by EU delegations, the European Commission services, European External Action Service (EEAS) and EU Member States throughout 2017, while underlining what still remains to be achieved in order to

attain the GAP II objectives and consequently the SDGs. The Council welcomed this progress in its conclusions of 26 November 2018. The 2019 report is in preparation.

After two years of implementation, there is evidence of enhanced EU political leadership and management ownership of the gender equality priority. The commitment to mainstreaming continues to gain traction, as seen, for example, in the use of gender analysis in the formulation of many more actions. What is notable in the reports is that all EU services are making greater use of gender expertise to strengthen their actions and to contribute more comprehensively to GAP II objectives and gender equality outcomes. The Commission is progressing towards achieving the target of at least 85 % of all projects promoting gender equality by 2020. For 2018, a significant increase in the number of new initiatives marked G1 or G2 is observed in the Neighbourhood and enlargement area (55 % in 2018; 53.5 % in 2017; 46.5 % in 2016), while 68 % of new initiatives undertaken in the development cooperation area were marked G1 or G2 (65.9 % in 2017; 58.8 % in 2016; 51.6 % in 2015) ⁽²⁵⁾.

Enhanced political dialogues, including human rights dialogues, the more systematic use of the mainstreaming of a gender perspective and steadily increasing financial contributions have proved to be essential for promoting gender equality. The year 2018 was also marked by the implementation of the Spotlight Initiative, the transformative EU–UN partnership aiming to eliminate all forms of violence against women and girls worldwide. Launched in September 2017 with EUR 500 million, EUR 320 million was committed in 2018 with the remaining amount expected to be committed in 2019.

Among the funds committed, the ‘Safe and fair’ programme (EUR 25 million, November 2017) aims to improve the working conditions of female migrants who move from 11 ASEAN countries to Gulf countries. A further EUR 32 million was devoted to projects dedicated to fighting against sexual and gender-based violence in the most remote areas and in forgotten crises. In this context, specific support was provided to Panzi Hospital and Foundation in South Kivu (Democratic Republic of Congo), managed by the Nobel Prize Laureate Dr Mukwege.

Close to EUR 45 million have been committed to fighting against femicide in Argentina, El Salvador, Guatemala, Honduras and Mexico.

Eight country programmes (Liberia, Malawi, Mali, Mozambique, Niger, Nigeria, Uganda and Zimbabwe) have been finalised in sub-Saharan Africa (EUR 220 million) with the objective of preventing, combating and prosecuting sexual and gender-based violence against women and girls, including elimination of harmful practices, such as child, early and forced marriage and female genital mutilation. This component will also contribute to promoting, protecting and fulfilling SRHR.

In all the above-mentioned components of the Spotlight Initiative, CSOs play a key role both in the definition of the priorities and in their implementation and monitoring. Combating violence against women is also a priority across all Neighbourhood countries, where the Commission is supporting the signature and ratification of the Istanbul Convention. In addition, the Commission continues to finance manifold projects. For instance, the project ‘Ensuring sustainable democratic governance and human rights’ (EUR 3 million) focuses on the southern Mediterranean region. The project

²⁵ G1 indicates that the initiative is ‘gender sensitive’; G2 indicates that it is ‘supporting gender machinery’ or ‘gender transformative’. Source: <https://www.oecd.org/dac/gender-development/Handbook-OECD-DAC-Gender-Equality-Policy-Marker.pdf>.

‘Ending violence against women in the Western Balkans and Turkey: Implementing norms, changing minds’ (EUR 5 million), funded under the IPA II, focuses on the most disadvantaged groups of women in these regions.

The Commission also continued its policy dialogue on women’s empowerment with the Union for the Mediterranean (UfM). During the October 2018 meeting in Lisbon, the Union established a mechanism to monitor the progress made by UfM Member States towards gender equality.

Policy dialogue and technical assistance continue to bring gender equality into the Enlargement and Neighbourhood Policy process in 2018. There are a number of projects ongoing with UN agencies to support education and women’s employment in, for example, Egypt and Tunisia. The EU is supporting young Libyan entrepreneurs, in particular female and youth entrepreneurs, by providing training via its ‘Support to Libya for economic integration, diversification and sustainable employment’. Under the EUTF in response to the Syrian crisis, the Commission in 2018 launched two important initiatives: a project (EUR 12.5 million) with UN WOMEN to strengthen the resilience of Syrian women and girls and host communities in Iraq, Jordan and Turkey; and a project (EUR 12.5 million) with the EuroMed Feminist Initiative designed to reinforce access to protection, participation and services for women refugees, IDPs and host communities.

In 2018, the EU allocated nearly EUR 30 million in humanitarian aid to help fight sexual- and gender-based violence. In line with its policy on gender in humanitarian aid ⁽²⁶⁾, support includes prevention of sexual violence and response through a comprehensive multisectoral approach including medical care, psychological support, referral to legal services and, where possible, livelihood support or socioeconomic assistance ⁽²⁷⁾.

Furthermore, from June 2017 to December 2018, the EU led the global humanitarian initiative ‘Call to action on protection from gender-based violence in emergencies’ ⁽²⁸⁾, bringing together 82 partners comprising governments and donors, international organisations and NGOs. Its aim is to drive change and foster accountability from the humanitarian system to address gender-based violence from the earliest phases of a crisis. During its leadership of the ‘Call to action’, the EU welcomed 18 new members, initiated the ‘Call to action’ in Nigeria and Democratic Republic of Congo (implementing partner: UNFPA), organised 10 awareness-raising workshops through its field offices and facilitated the drafting of the 2017 Call to Action Progress Report.

The EU has built key alliances to strengthen the voice and participation of women at work. The **Partnership Instrument** aims to achieve **progress towards women’s economic empowerment**; this cannot come solely from public policy but must include active engagement by the corporate sector, which makes up 90 % of global employment. Greater participation of women in the workforce will address not only entrenched inequalities but also economic shortfalls. Advancing women’s equality **could add USD 12 trillion to global gross domestic product (GDP) by 2025** according to a McKinsey study ⁽²⁹⁾.

²⁶ https://ec.europa.eu/echo/files/policies/sectoral/gender_thematic_policy_document_en.pdf.

²⁷ https://ec.europa.eu/echo/what/humanitarian-aid/gender-sensitive-aid_en.

²⁸ http://ec.europa.eu/echo/files/aid/countries/factsheets/thematic/call_to_action_on_protection_from_gender_based_violence_in_emergencies_en.pdf.

²⁹ <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>

Case studies

Partnership Instrument actions

Three Partnership Instrument actions are working in synergy to increase commitment of the public and private sectors to gender equality and the empowerment of women in the world of work at all levels.

- **'WE EMPOWER G7 countries'** facilitates multi-stakeholder dialogue and exchanges between companies, governments and public institutions in Canada, France, Germany, Italy, Japan, the United States and the United Kingdom.
- **'WIN WIN'** promotes the economic empowerment of women in the corporate sector in Latin America and the Caribbean, in particular in Argentina, Brazil, Chile, Costa Rica, Jamaica and Uruguay.
- **'WE EMPOWER Asia'** promotes the economic participation and empowerment of women in China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam. It focuses on the role that the private sector can play in partnership with the public sector and networks of women entrepreneurs, women-owned business and associations.

Activities include helping companies develop and implement corporate policy and practice by providing training on how to measure, monitor and report progress in women's empowerment implementation, and facilitating dialogues to develop tools and incentives for improving the situation of women at work.

EU Regional Trust Fund in Response to the Syrian Crisis

From economic hardship to a thriving business

One of the first women's rights advocates and entrepreneurs from Mafraq, Jordan, Asmaa turned her precarious economic situation into a profitable business. After her separation, Asmaa moved back to her parents' home with her sick daughter. There, she opened a clothes shop and, thanks to funds provided through the **EU Regional Trust Fund in Response to the Syrian Crisis**, Asmaa received a loan that helped her expand her business. With the shop's profits, Asmaa was able to treat her sick daughter and help her parents, relatives and neighbours. Asmaa is now well known in the city for her women's rights activism, spreading the message that women should not back down because of pressure from society. She likes to tell women to step up and work and is convinced that this is the only way to success and emancipation. This initiative is one of many similar projects funded through the EU Regional Trust Fund's **'Leaders project'**. As of December 2018, it has helped some 250 000 Syrian and local community members, like Asmaa, to become economically self-reliant.



1.3.6. SDG 6 Clean water and sanitation

Introduction

Population growth, migration, urbanisation, industrialisation, energy demands on water, climate change, agricultural expansion and changing consumer patterns are combining to increase the pressure on finite freshwater resources, leading to overuse and pollution of surface water and groundwater together with forced migration and conflict over dwindling resources.

Overview and trends

While the fact that SDG 6 represents a cornerstone in the achievement of the 2030 Agenda and the objectives of the new European Consensus on Development is widely recognised, according to the 2018 SDG 6 Synthesis Report, presented at the 2018 High-Level Political Forum for Sustainable Development, the world is not on track to reach SDG 6 by 2030.

The EU Council Conclusions on Water Diplomacy (November 2018) call upon EU institutions and Member States ‘to give the necessary consideration to the importance of water and sanitation in the programming of future financial and technical cooperation with partner countries’ – a clear demand to continue and strengthen EU action in this domain.

Through its external instruments, the EU supports actions on water and sanitation in four main areas:

- investments in water and sanitation infrastructures to improve living and health conditions for urban and rural populations, with a focus on the most vulnerable people;
- promotion of sustainable water management and good water governance at all levels, notably by aligning integrated water resource management with the EU Water Framework Directive, the Nexus approach between water–energy–food ecosystems and the accession and implementation of the Water Convention in partner countries;
- support for river basin planning and facilitation and user participation in decision-making and support for establishment and functioning of water user associations;
- development of water-related scientific and technical knowledge as well as capacity building for water operators, basin organisations and students, including relevant indicators and data and improvement of water monitoring.

The EU is the biggest donor to humanitarian action in the water, sanitation and hygiene sector, allocating around EUR 200 million each year to ensure safe access to water services for populations threatened by humanitarian crises.

Case study

Nakuru County Sanitation Programme: How to create value out of sewage

Context

Sanitation infrastructure in the low-income county of Nakuru (Kenya) is inadequate (less than 30 % in 2013). The situation is compounded by Nakuru's porous and sandy soil texture, which heightens the risk of groundwater contamination.

The Nakuru County Sanitation Programme (NCSP), finished in 2018, was an EU-funded public–private partnership that applied a behavioural change and market-based model of accelerating sanitation improvements. The total cost of the programme was EUR 4.2 million, of which EUR 2.5 million came from EU financing.

Objectives

The aim was to implement a sanitation value chain with the following objectives:

- increase hygiene awareness and sanitation coverage in Nakuru Town;
- establish collection facilities and transport services for hygienic and sustainable capture and removal of human waste;
- controlled and certified production and sales of human waste products on a large scale.

Impact

The NCSP has executed a hygiene awareness campaign and improved more than 9 000 latrines, serving some 90 000 people. The programme has also introduced a faecal sludge collection scheme. The waste is processed into briquettes that are sold on the local market as a replacement for traditional charcoal fuel.

1.3.7. SDG 7 Affordable and clean energy

Introduction

Sustainable energy is a key priority for the EU. It remains a pivotal theme in the new European Consensus on Development ⁽³⁰⁾, and the EU remains firmly committed to implementation under the 2030 Agenda for Sustainable Development ⁽³¹⁾.

Overview and trends

Africa is a key priority for EU energy cooperation. On 8 November 2018 at the Africa Investment Forum in Johannesburg, the European Commission organised the launch of the AU–EU High-Level Platform on Sustainable Energy Investments (SEI Platform). The SEI Platform will function as an energy task force under the Africa–Europe Alliance ⁽³²⁾, which was launched by Commission President Juncker in September 2018. The SEI Platform will bring together public and private

³⁰ https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf.

³¹ <https://sustainabledevelopment.un.org/post2015/transformingourworld>.

³² https://ec.europa.eu/commission/africaeuropealliance_en.

representatives as well as academia – all active in the energy field – to produce concrete recommendations and actions that will help to boost investments in the sustainable energy sector. The SEI Platform will be operationalised during 2019.

The EU continues to support the Africa-led Africa Renewable Energy Initiative (AREI) ⁽³³⁾. AREI aims to accelerate and scale up the harnessing of the continent's huge renewable energy potential. The EU has committed EUR 1.5 billion. By the end of 2018, 24 projects, expecting to leverage EUR 4.5 billion in investments and generate 2.3 GW of renewable energy by 2030, have been approved under AREI.

The EU promotes ownership and knowledge exchange at local level. The EU-funded Covenant of Mayors in Sub-Saharan Africa (CoM SSA) ⁽³⁴⁾ supports local authorities in sub-Saharan Africa in their fight against climate change and in their efforts to ensure access to clean energy. The initiative reached 140 signatory cities by the end of 2018.

Through the EU Technical Assistance Facility, the EU helps partner countries enhance the investment climate in their energy sectors by helping improve, among other things, regulatory frameworks. Through the Technical Assistance Facility, the EU has supported the African Union Commission (AUC) in the harmonisation of the regulatory frameworks for the electricity markets in Africa. The initiative was adopted by AU heads of state in July 2017 at the AU Summit. The implementation of the initiative has been intensified during 2018, with several missions involved in partner countries.

The EU's innovative financial tools to boost private sector investment in the development cooperation are expanding. Under the EFSD – a key component of the EIP – eight guarantee instruments are approved (totalling EUR 603.5 million), of which six focus on Africa ⁽³⁵⁾. Under the Electrification Financing Initiative (ElectriFI) – the EU's flagship initiative to de-risk investments in the energy sector – 16 projects are in operation. ElectriFI country windows have also been created for Benin, Côte d'Ivoire, Nigeria and Zambia, and a regional window has been created for the Pacific region.

In late 2018, the EU confirmed its support of EUR 23 million to the African Development Bank (AfDB)-led Digital Energy Facility (DEF). The aim of the facility is to support start-ups and innovative small and medium-sized enterprises (SMEs) active in the energy access area by providing financial and digital skills training.

As part of a broader Africa–Europe Partnership, a dedicated research and innovation partnership on climate change and sustainable energy has been established to support the development of joint research activities in renewable energy production and use, and to promote innovation. Under this cooperation, co-funded by the Horizon 2020 programme, support is provided for research, including the exchange of European and African researchers, to implement a mutually beneficial research and capacity-building agenda in renewable energy technologies. This action intends to establish a public–private partnership adapted to the African context and align public and institutional investments in research and innovation in Africa.

³³ <http://www.arei.org>.

³⁴ <http://comssa.org/>.

³⁵ https://ec.europa.eu/commission/eu-external-investment-plan_en.

During 2018, the EU initiative ‘Women and sustainable energy’ (EUR 18.1 million) has become fully operational ⁽³⁶⁾. The initiative promotes the economic empowerment of women in the energy sector and covers three projects in 10 countries ⁽³⁷⁾.

Energy security and energy efficiency continued to be among the key priorities for EU cooperation with Eastern Partnership countries. The ‘EU4Energy’ initiative delivered new laws and improved governance in the energy sector. The High-Level Energy Efficiency Initiative was implemented, bringing together international financial institutions in upscaling energy efficiency reforms and investments.

The Strategy on ‘A credible enlargement perspective for and enhanced EU engagement with the Western Balkans’ was adopted by the Commission on 6 February 2018, confirming the merit-based prospect of EU membership for all countries in the region with a comprehensive action plan including components on connectivity and energy.

In the Western Balkans, implementation of the existing Projects of Energy Community Interest (PECI) priorities continued. While no new project was launched in 2018, the Energy Community identified and approved the 2018 list of PECI projects, of which 11 could benefit from IPA assistance. **Montenegro** and **North Macedonia** made important progress in implementing and enforcing the Energy Community *acquis communautaire* but the overall picture was mixed in 2018, despite the Secretariat’s work. The ‘Winter package’ for a clean energy economy was being transposed to the Energy Community. The EU continues to be actively engaged in the EU-facilitated dialogue between Belgrade and Pristina and regional cooperation overall.

In the three regions, the EU continues to support the High-Level Energy Efficiency Initiative. In this action plan, the EU and the participating international financial institutions ⁽³⁸⁾, as well as the Energy Community Secretariat, have put together a set of actions and initiatives to support energy efficiency in pilot countries (**Georgia**, **Serbia**, **Tunisia** and **Ukraine**) to successfully transit to sustainable energy and climate policies.

The EU Partnership Instrument also contributes to achieving SDG 7. It will offer a different approach to established models of development cooperation by promoting policy cooperation with countries of strategic interest to the EU. In particular, it will allow the EU to establish a wider political dialogue with emerging partners. It will also support the EU’s relations with countries that are no longer eligible for bilateral development aid. The Partnership Instrument is well aligned with the aims of this SDG, reinforcing cooperation on global challenges, addressing in particular climate change, energy security and the protection of the environment. Developing energy cooperation with partner countries and promoting renewable and sustainable energy sources remains a key focus. In 2018, the EU Partnership Instrument continued its actions on themes such as clean energy, energy efficiency and liquefied natural gas. The partner countries with Partnership Instrument intervention in this sector were Argentina, China, India, Iran, Japan and the Gulf Cooperation Council (GCC)

³⁶ https://ec.europa.eu/europeaid/sites/devco/files/facsheet-women-sustainable-energy-no-cropmarks_03152018_en.pdf.

³⁷ The three projects take place in: i) Kenya, Sierra Leone and Uganda; ii) Burkina Faso, Ethiopia, Honduras and Malawi; and iii) Mali, Niger and Senegal.

³⁸ The international financial institutions are the International Finance Corporation, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF), the World Bank and German development bank KfW.

countries. The Partnership Instrument also contributed to areas relevant to SDG 7 in a number of other countries through the International Urban Cooperation programme.

Case studies

Promoting off-grid energy in East Africa through innovative financing

Public funds are not sufficient to meet today's and tomorrow's energy demand. There is an urgent need for increased private sector investment to reach the 2030 Agenda target of providing universal access to modern, affordable, reliable and sustainable energy by 2030. ElectriFI plays a central role in EU energy cooperation, and providing energy to rural off-grid areas is one of its main objectives.

Azuri Technologies, one of leading providers of PayGo solar products and services across sub-Saharan Africa, approached ElectriFI in 2017 to help structure and fund a new debt-financing facility in East Africa. The first phase is being deployed in Kenya. Subsequent phases of the facility will expand to Azuri's other key territories in East Africa, including Tanzania, Uganda and Zambia.



Results by the end of 2018 include:

- about 59 000 connections;
- 295 635 direct beneficiaries with new or improved access to energy;
- installed capacity of 0.97 MW;
- 37 650.44 tonnes of greenhouse gas emissions saved;
- 1 871 direct and 14 042 indirect jobs created.

Harmonising rules on African electricity markets

Regional energy markets transcend multiple jurisdictions. This calls for the harmonisation of policies, legislation, regulation and institutional frameworks at the regional and continental levels to enhance coordination and cooperation as well as to remove barriers to cross-border trade and investment. A joint initiative of the EU and the AUC aims to integrate and harmonise regulatory frameworks for electricity markets in Africa.

The EU's Technical Assistance Facility, in close cooperation with the AUC, has developed a strategy and action plan to accelerate the process of integration and harmonisation of continental and regional electricity markets. The heads of state and government of the AU adopted both documents in July 2017.

In the course of 2018, a number of activities have been successfully deployed.



Harmonised transmission tariffs

Regulation of cross-border electricity trading requires a methodology for transmission costs and tariffs within each power pool. Therefore, a harmonised continent-wide transmission tariff methodology for the electricity sector has been developed for international bilateral transactions, and pilot testing has commenced.

Guidelines for minimum energy performance standards (MEPS) and energy labelling

The adoption of MEPS and labelling of appliances at the continental level will save energy in the short term, reduce demand from the grid, lower electricity bills for consumers, improve living standards and, ultimately, facilitate energy access for all African households. In the course of 2018, guidelines were developed and tested through consultation in Egypt, Namibia, Senegal and Uganda (one per African subregion) and are expected to be adopted in March 2019.

1.3.8. SDG 8 Decent work and economic growth

Introduction

In 2018, the EU supported SDG 8 through the implementation of ongoing actions and the adoption of several new actions funded by various financing instruments.

- The 'Sustainable investment climate and value chains' programme (EUR 16.7 million) aims to enhance dialogue with the private sector to prioritise reforms in the investment and business environments, promote financial inclusion, promote knowledge sharing and dissemination, and mobilise technical and advisory support for key stakeholders in partner countries.
- 'Enhancing decent work, transparency and traceability for sustainable garment value chains' (EUR 19.2 million) aims to improve working conditions, occupational health and safety,

environmental compliance and gender equality at factory level. It also aims to help government agencies, national institutions, employers and worker organisations in partner countries to develop decent work public policies and practices.

Overview and trends

An agreement has been signed with German development bank KfW to implement the EU's contribution to the Women Financial Inclusion Facility action (EUR 10 million, including EUR 1 million from the European Parliament). It is the Commission service's first blended finance facility entirely dedicated to the promotion of access to financial services and digital and financial literacy for women.

Also, 'Promoting responsible supply chain in the area of conflict minerals (3TG)' was signed with the Netherlands Enterprise Agency (EUR 5.4 million). The contract with the International Labour Organization's (ILO) International Training Centre has been extended, promoting decent work, combating child and forced labour in global supply chains and assessing the impact on employment of EIP investments.

Two contracts promoting responsible value chains in Asian, African and Latin American countries have been signed, namely: i) 'Bottom UP! Promoting a sustainable cotton and garment value chain from Ethiopian cotton to European consumers' with Solidaridad Nederland (EUR 1.4 million); and ii) 'SMART-TAG, sustainability, more consumer awareness, responsibility and transparency in the textile and garment sectors' with SEQUA (EUR 1.35 million).

In the area of skills development in developing countries, to strengthen the relationship between vocational education and training (VET) and the private sector in partner countries, the VET Toolbox was officially launched in 2018. Also in 2018, the scope of Socieux+, an ongoing short-term peer-to-peer technical facility based on the TAIEX model, has been widened in terms of fields of assistance and number of partner countries covered (mostly in Africa and Latin America).

Supported by EU bilateral agencies, the action 'Intra-ACP TA facility improving the business and investment climate through structured dialogue' (EUR 10 million) contributes to the wider efforts for capacity building for EU delegations, ACP regional economic committees and local development financial institutions. The action 'Capacity building of mineral institutions and of small-scale private sector operating in low-value minerals in ACP countries: Phase II' (EUR 10 million) encourages continued capacity building for MSME employment and income in the development minerals sector.

Regarding implementation of ongoing actions, a service contract entitled 'Promote ACP–EU private sector development knowledge management' (EUR 6 million) was signed to support the ACP Secretariat in coordinating the ACP PSD programme, including learning from ongoing and previous PSD programmes, reporting and communication of PSD actions and enhanced collaboration between ACP private stakeholders.

Agreements were also signed with the United Nations Industrial Development Organization (EUR 8 million) and the International Trade Centre (ITC) (EUR 14.7 million) under the action 'Support to business-friendly and inclusive national and regional policies and strengthen productive capacities and value chains' to help ACP partner countries improve their investment and business environment.

The Partnership Instrument action ‘Responsible business conduct in Latin America and Caribbean’ (OECD, EUR 3.2 million, and ILO, EUR 6 million) raises awareness of unsustainable behaviour, particularly among SMEs, aiming to exchange information and share best practice (e.g. in governance, transparency and involving civil society in policymaking). The action ‘Responsible supply chains in Asia’ (United Nations Development Programme (UNDP), EUR 5.5 million) supports the implementation of responsible business conduct (RBC) by mapping current approaches, showing businesses the added value of adhering to RBC and collecting tools, lessons learned and factors associated with implementation success/failure.

The EU is continuing to support the transition of IPA II beneficiaries into functioning market economies able to withstand the competitive pressures of the EU Single Market. In this context, a new regional action for EUR 19.8 million was adopted in 2018 to support the implementation of reforms identified in the beneficiaries’ Economic Reform Programmes, develop a competitive private sector and support implementation of a regional economic area.

The regional programme ‘Support to an enabling business environment for MSME development and financial inclusion’ was launched in 2018 to support economic governance and reforms for sustainable economic growth, enhanced public and private sector investments, and MSME development through improved access to finance, job creation and economic inclusiveness in the southern Mediterranean partner countries. A financing agreement was signed for the ‘Skills development and matching for labour market needs’ programme in Georgia so that the education system can better respond to labour market demand and forge closer links between the private sector and VET institutions.

Case studies

SANAD Middle East and North Africa Fund for Micro, Small and Medium Enterprises (Phase III)

This fund (EUR 23.4 million) was signed to create and maintain employment, especially for young people, primarily through supporting MSMEs; to reduce poverty by facilitating self-employment, primarily through microfinance; and to build inclusive financial systems by cooperating with banks, microfinance institutions, leasing companies and other institutions to facilitate access to financial services.

EU4Business: Women in business in the Eastern Partnership

Context

The 'Women in business' programme, implemented by the EBRD under the 'EU4Business' initiative, helps women-led SMEs access the finance and know-how that they need in order to grow. Specifically, the EBRD provides dedicated credit lines to local banks and offers business advice to help companies become more competitive. The programme also offers training, mentoring and other support so women entrepreneurs can share their experiences.

Objectives

The objectives are to promote women's entrepreneurship, access to finance and participation in business.

Impact

The programme has secured a number of outcomes:

- 1) access to finance:
 - (a) dedicated credit lines were provided to participating financial institutions for lending to eligible women-led SMEs,
 - (b) technical assistance was provided to participating financial institutions,
 - (c) marketing and outreach were targeted at female clients;
- 2) access to know-how:
 - (a) business advisory services and coaching was provided to women-led SMEs,
 - (b) training in key entrepreneurial skills was provided to women entrepreneurs,
 - (c) networking seminars were held for women in business;
- 3) highlights:
 - (a) more than 2 300 women-led SMEs received loans under the programme (total value EUR 21.6 million),
 - (b) almost 400 women entrepreneurs were trained or coached,
 - (c) more than 100 women in participating financial institutions were trained or coached.

'The project significantly helped the company to compete successfully during the economic slowdown and to build a strong direct distribution network,' says Gulnara Hasanova, Director of ESSE LLC, a woman-led accessory and home care products company in Azerbaijan. With help from the 'Women in business' programme, the company introduced an effective recruitment and sales system, and as a result, turnover was up 18 %, customer base increased 25 % and ESSE was able to add new product lines and open two regional offices.

1.3.9. SDG 9 Industry, innovation and infrastructure

Introduction

Connectivity plays a fundamental role in achieving the targets of the SDGs, notably the SDG 9 target on quality and resilient transboundary infrastructure. To boost implementation of the transport-related elements of SDG 9, in 2018 the EU continued to focus on supporting strategic multimodal corridor development that builds on economic, social and environmental sustainability.

Overview and trends

Blending operations represented another important pillar in support of multimodal transport corridor development in Africa. In 2018, EU contributions (EUR 91 million) leveraged a further EUR 688 million to interconnect Africa and to enhance access to rural populations through safe and resilient transport networks. Cameroon, Gambia, Kenya, Liberia, Madagascar and Uganda were the main beneficiaries in central, eastern and western Africa and the Indian Ocean region, along respective regional corridors.

From a policy perspective, the EU maintains its seat on the board of the 'Africa transport policy programme', which is relevant for policy and strategy support to African governments and regional economic communities. In 2018 the EU participated in international forums at G7, G20, UN and OECD levels to make available quality infrastructure principles, standards and approaches that are essential to deliver on SDG 9. Furthermore, the EU's engagement in project investment, delivery and capacity building through EU investment facilities aimed to facilitate cooperation between hard (investment) and soft (governance) perspectives.

From a strategic perspective, the coordination and steering of the joint Africa–EU infrastructure agenda towards smart transport corridor development was fundamental. This also involved supporting the master strategic connectivity plan for Africa: the 'Programme for infrastructure development for Africa'. Similar efforts have been made for the EU–Asia connectivity agenda.

In science, technology and innovation, ACP–EU support for more than 350 research centres, higher education institutions and innovation partners continued throughout 2018. All the projects funded through the ACP 'Science and technology II' programme ended in 2018. These projects strengthened the capacities of research and innovation stakeholders, nurtured international collaboration, consolidated research partnerships and helped apply research results to specific development needs.

A new EUR 60 million ACP–EU initiative, which intends to have a structuring effect on the innovation ecosystems and capabilities of ACP countries, was adopted in 2018.

In the Western Balkans, regional cooperation continued to focus on the connectivity agenda. At the EU–Western Balkans Summit in May 2018, a substantial connectivity package was delivered comprising 11 transport projects totalling EUR 190 million in grants and leveraging investments of EUR 1 billion from international partner financial institutions in the Western Balkans Investment Framework (WBIF).

In the eastern Neighbourhood, in order to develop the digital economy, the Eastern Partnership countries have affirmed their commitment to reduce roaming tariffs within a set date. To this end,

they have adopted a joint roadmap towards signing a regional roaming agreement among the Eastern Partners by 2020. In addition, support for policy work in six priority topics (electronic communications and infrastructure, trust and security, eTrade, digital skills, ICT (information and communication technology) innovation and start-up ecosystems, and eHealth) is streamlined through the EU4Digital initiative and the related technical assistance programmes.

Meanwhile, an interesting example of promoting sustainable industrialisation is the Low Carbon Business Actions in Brazil and Mexico. These have been running since 2015, and aim to decouple economic growth from CO₂ emissions, thus addressing global climate change while improving market opportunities for leading EU businesses in the green-technology sector.

The European Commission continued promoting the integration of developing countries into sustainable industrial value chains through the implementation of the 'Competitive industries and innovation programme' (CIIP). The scope of CIIP, due to complete its current phase in May 2020, is to support integrated solutions for the design and implementation of public policies and investments that promote competitiveness and innovation, in terms of both industrial product and process, in high-potential industries and countries.

In the area of conflict minerals, the European Commission supported the establishment of the European Partnership for Responsible Minerals. The focus for this partnership is the introduction/promotion of responsible mining practices in the informal mining sector, which is often the source of primary raw materials such as cobalt, tantalum, lithium, tungsten, etc.

Blending operations represented another important pillar in support of multimodal transport corridor development in Africa linked to SDG 9. In 2018, EU contributions of EUR 91 million leveraged investments amounting to EUR 688 million to interconnect Africa and to enhance access to rural populations through safe and resilient transport networks. **Cameroon, Gambia, Kenya, Liberia, Madagascar** and **Uganda** were the main beneficiaries in central, eastern and western Africa and the Indian Ocean region along respective regional corridors.

In the framework of the EIP, the European Commission established the EFSD to support investments in Africa and the Neighbourhood. A total of 28 guarantees have been approved in 2018, mobilising EUR 1.54 billion of the initial guarantee of the EIP, with the expectation that this unlocks EUR 17.5 billion in total investments, covering areas such as access to finance for MSMEs, energy and connectivity, cities, agriculture and digital. The digital sector has been identified by the European Commission as a target area for support within the framework of the EIP, focusing on innovation that addresses local social needs, financial inclusion and job creation. In 2018, four guarantees were approved (EUR 220 million), aiming to increase the use of digital technologies, widen rural access to broadband and boost investment in innovative start-ups using digital solutions.

Case studies

The 'Ventures' programme with FMO

A guarantee of up to EUR 45 million will promote sustainable development by attracting much-needed private investment to the ventures sector. It will boost investment for innovative start-ups that use digital solutions to improve or enable access to products and services for unserved and underserved communities.

It will enable FMO to pursue early-stage direct and indirect investment in:

- fintech – financial services to improve financial inclusion;
- off-grid energy – distributed renewable energy to improve access to energy;
- agritech – agribusiness to improve access to inputs, farming techniques and markets;
- venture funds investing in technology-enabled solutions in sectors such as education and healthcare, mobility and transport, supply chain optimisation, efficient logistics, digital and business infrastructure and e-commerce.

Another example of an approved project is the 'Digital transformation platform and broadband investment programme', which will increase the use of digital technologies and widen rural access to broadband in the EU Neighbourhood, especially outside the main urban centres and in rural, remote and unserved areas.

With EU contributions up to EUR 70 million, the programme offers a guarantee that lowers risks for potential private investors and so makes projects more attractive ('bankable') to them.

The EIB, EBRD and private co-investors intend to lend directly to companies, public entities, city and regional authorities and publicly owned telecommunications companies. As a result, the programme will redress the market failures of a digital sector characterised by high investment costs, strong competition, market dominance, limited access to finance and pressure on revenues. More specifically, it will address the failure of dominant incumbent actors to invest in alternative digital infrastructure and improve access to finance where the economic lifetime of contemporary digital infrastructure exceeds the tenor of loans typically available in domestic capital markets.

Construction of a new motorway section from Demir Kapija to Smokvica (Corridor X)

Investment in infrastructure is crucial to achieving sustainable development. As a contribution to SDG 9, the new motorway section between Demir Kapija and Smokvica (28.18 km), part of a pan-European Corridor X with a total project cost of EUR 227 million (the EU component being EUR 62 million), was opened to traffic in April 2018.

Context

Transport connectivity is essential to facilitate movement of goods and people, support cultural exchange and enhance social and economic development. The project provided the missing link in the 1 451 km-long pan-European Corridor X, connecting Salzburg and Thessaloniki.

Objectives

The project aims to construct a new motorway between Demir Kapija and Smokvica, comprising:

- a 2+2-lane carriageway of 28.18 km;
- 2 twin-tube tunnels (both over 1.2 km long) with modern energy-efficient lighting, systems for ventilation, fire detection and extinguishing, and a backup power supply as well as a SCADA ⁽³⁹⁾ system for monitoring and traffic management;
- 6 bridges and 120 culverts;
- 5 overpasses and 7 underpasses;
- 2 interchanges and high embankments and deep cuts (>20 m) with more than 8 million m³ of earthworks.

Impact

The project has achieved a number of positive results.

- A highway for citizens and business was opened in April 2018.
- Up to 730 000 vehicles per year will travel faster and more safely from Skopje to Thessaloniki.
- A 63 % decrease in travel time is possible between Demir Kapija and Smokvica.
- All traffic safety standards have been applied, ensuring that the traffic in this section will be safer for all participants.
- EU environmental requirements for construction have been strictly respected, guaranteeing a reduction in transport emissions.



Tunnel T1 during construction

Videos of the new motorway can be viewed at <https://www.youtube.com/watch?v=iT-sDy2S95U> and <https://www.youtube.com/watch?v=ETKt9AXU2DM>.



Bridge B3 during construction

³⁹ A sensor network-based SCADA (supervisory control and data acquisition) system.

1.3.10. SDG 10 Reduced inequalities

Introduction

SDG 10 addresses inequalities affected by income, age, sex, disability, race, ethnicity, origin, religion, economic status or other status. It also addresses inequality among countries and calls for the facilitation of orderly, safe, regular and responsible migration and mobility of people.

The new European Consensus on Development specifically calls on the EU and its Member States to act to reduce inequality of outcomes and promote equal opportunities for all. The 2030 Agenda recognises the potential contribution of migrants for inclusive growth and sustainable development while also acknowledging the challenges. It encourages more comprehensive cooperation on migration between countries of origin, transit and destination. The Consensus reiterates this approach, confirming migration as an intrinsic part of EU development policy and cooperation.

Since 2015, the EU has established a comprehensive and balanced approach on migration. In line with the European Agenda for Migration, this approach is based on genuine partnership and mutual interest, underpinned by meaningful political dialogue and adapted to the specific context in each partner country.

Overview and trends

More effort needs to be made to achieve SDG 10 globally and to reduce lingering disparities, as inequality in all of its forms remains a serious concern globally. Although, between 2010 and 2016, in 60 out of 94 countries with data, the income of the poorest 40 % of the population grew faster than that of the entire population (SDG target 10.1) ⁽⁴⁰⁾, income inequality observed in many countries, in particular among developing countries, remains high. The countries with the highest levels of income inequality, as measured by the Gini index, are in Latin America and sub-Saharan Africa.

EU external action and development cooperation target inequality in partner countries by, for instance, supporting social protection systems; supporting universal access to quality public services, including education and health; policies to fight discrimination, such as the rights-based approach; supporting the design of progressive fiscal policies and domestic revenue mobilisation (DRM).

The EU supports several global and national programmes to strengthen social protection systems, including social protection floors, and is involved in the Universal Social Protection Initiative (USP 2030) to advance universal social protection policies, with a focus on the poor and the vulnerable. In 2018, the EU supported around 12 partner countries to strengthen their social protection systems, including in fragile or conflict-affected countries. One of them is **Lesotho**, where the EU has helped to establish a social protection system that addresses vulnerability and inequality throughout the life course.

Moreover, in line with the Consensus, which calls on the EU and Member States to mainstream the reduction of inequality in its development cooperation, the Commission is evaluating opportunities to better integrate the reduction of inequality in EU development cooperation in future.

⁴⁰ <https://unstats.un.org/sdgs/files/report/2018/TheSustainableDevelopmentGoalsReport2018-EN.pdf>.

In terms of migration, the number of international migrants increased from 173 million in 2000 to 220 million in 2010 and 258 million in 2017 ⁽⁴¹⁾. Global forced displacement figures remain at an all-time high. During 2018 the EU as a whole received over 0.5 million first-time asylum claims ⁽⁴²⁾. At the same time, the majority of refugees worldwide continue to be hosted by developing countries.

In 2018 the Commission continued to play an active role in driving forward international dialogue and policy on migration and development, linking EU political commitments with dialogue, and concrete and effective implementation in partner countries. Notably, the Commission engaged with priority countries in Africa, Asia and Latin America to implement the Partnership Framework ⁽⁴³⁾ under the European Agenda on Migration.

Achieving real progress will only be possible if all stakeholders work together in a coordinated way, pulling together resources and exploiting all policy tools available. In 2018 the Commission mobilised substantial funding, in particular through the EUTF for Africa, to improve the management of migration and to boost socioeconomic development, contributing to the creation of new, decent jobs in many African partner countries. At the end of 2018, 187 projects worth EUR 3.6 billion had been approved in the Horn of Africa, North Africa and Sahel and Lake Chad regions.

Case studies

EU–IOM joint initiative for migration protection and reintegration

This initiative launched in December 2016 through the EU Emergency Trust Fund for Africa. It aims to strengthen mechanisms along central Mediterranean migration routes to ensure that migrants' rights are respected and that the migration process is safer and better governed. Starting with 14 countries in the Sahel and Lake Chad region and Libya, it covered 26 African countries by the end of 2018. Core programme components include protection and assistance, reintegration, information and awareness-raising, and migration data and flow monitoring. The initiative had two significant results:

- from May 2017 until the end of November 2018, the joint initiative supported the voluntary return of over 42 600 migrants, mostly from Libya and Niger, but also from Djibouti, Mali and Mauritania;
- in the countries of origin, the joint initiative provided assistance upon arrival to over 58 100 migrants whose returns were supported by the EUTF for Africa or other contributors.

⁴¹ https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2017_Highlights.pdf.

⁴² http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=migr_asyappctzm&lang=en.

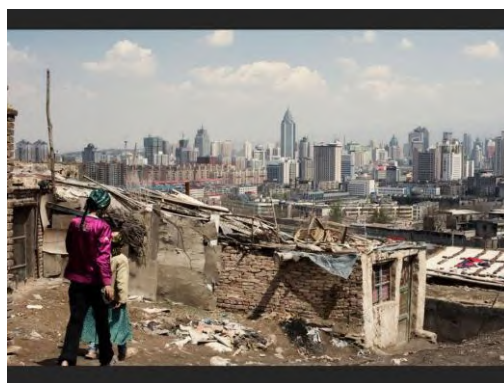
⁴³ COM(2016) 0385 final, 07.06.2016.

The Research Facility on Inequalities

This facility aims to expand knowledge and understanding of economic and social inequalities, their drivers, underlying factors and policies, and approaches to reduce them. This is achieved through:

- development of global research projects on the drivers and dynamics of economic and social inequalities in low- and middle-income countries and the most successful policy responses aimed at addressing them;
- country- and city-based research projects to help partner governments design relevant public policies to address inequalities;
- strengthening synergies, collaboration and political alignment among EU Member States and international partners to fight against inequalities together within the framework of the 2030 Agenda.

As of December 2018, the project has initiated 6 global, 10 country-based and 3 city-based projects, including projects in Burkina Faso, Cameroon, Ghana, Mexico, South Africa and Vietnam. Global projects address themes such as economic inequality, the distributional impact of social protection and inequality, and taxation.



Enhancing access of children to education and fighting child labour

In **Egypt**, the EU provides a holistic package of interventions to help combat the root causes of negative coping strategies, such as child labour and early marriage, and their implications, by supporting enhanced nutrition, food security and quality of education. The project 'Enhancing Access of Children to Education and Fighting Child Labour', implemented by the World Food Programme, strengthens the capacities of governmental stakeholders on education, child protection and information management.

The concept of community education was initiated during the early 1990s, with the goal of improving access to basic education in underserved areas, especially in rural northern Egypt. Since then, community schools have contributed to equity in education, school enrolment and attainment, and social inclusion, thus having the long-term potential to break the poverty cycle among marginalised communities. This project supports children living in 16 of the most vulnerable governorates in Egypt through the provision of nutritious daily in-school snacks, reaching about 1.8 million students in over 8 000 community and public schools.

To provide alternative means of income-generation for families, the EU also supports over 50 000 mothers of community school children through livelihood enhancement activities. Together with local NGOs, the World Food Programme delivers entrepreneurship and basic business skill trainings for mothers. The integration of capacity-strengthening and financial inclusion in livelihood support activities supports the expansion of economic potential in the lives of women, ultimately helping to reduce poverty and empower them through enhanced mobility, resources, decision-making capacities and networks, while also contributing to household food security.

The EU supported about 9 000 teachers, enhancing their skills and knowledge through capacity strengthening on pedagogical skills, nutrition, positive discipline, class management, emergency preparedness and education through arts and drama. Looking beyond community schools, the project has also initiated dialogue with different partners on empowering graduates through technical and vocational training, linking to existing opportunities at the national level.

1.3.11. SDG 11 Sustainable cities and communities

Introduction

Urbanisation and the role of cities are increasingly shaping development challenges and opportunities in developing countries, so much so that local authorities will become key actors in achieving the majority of the SDGs.

A status report for SDG 11 was prepared for the UN High-Level Political Forum in July 2018 ⁽⁴⁴⁾. Key targets include adequate, safe and affordable housing; accessible, safe and sustainable transport systems for all; inclusive and sustainable urbanisation; reducing the number of people affected by disasters; reducing the environmental impact of cities; and supporting rural–urban linkage.

Overview and trends

With cities globally contributing to 80 % of GDP, 70 % of global energy consumption and 70 % of global carbon emissions and nearly 1 billion people living in slums, achieving the SDG 11 targets

⁴⁴ https://www.un-ilibrary.org/economic-and-social-development/tracking-progress-towards-inclusive-safe-resilient-and-sustainable-cities-and-human-settlements_36ff830e-en.

represents a significant challenge. African cities are typically densely populated but have poor urban mobility; air pollution in many megacities, especially in Asia, has reached toxic levels. These challenges will become ever more pressing with a rapidly expanding urban population. In the next 30 years, the global urban population is projected to increase by 2 billion, 90 % of which will occur in Africa and developing Asia.

The renewed focus on cities is also reflected in the Sendai Framework and the New Urban Agenda (adopted in Quito in 2016). At the European level, the new European Consensus on Development fully reflects this recognition of the centrality of urbanisation, not only in terms of demographics but also as a process underpinning multiple aspects of global development.

In 2018, the Commission published a staff working document on cities and local authorities in development cooperation. The subsequent Council conclusions underpinned the importance of addressing the challenges of rapid urbanisation, as well as the opportunities presented by well-planned urbanisation.

The EU has put a number of instruments in place to support cities and sustainable urban development.

During 2018, through the EIP 'Sustainable cities' window, work progressed on three programmes to mobilise additional finance for sustainable urban developments.

A new approach within the local authority component of the Annual Action Plan 2018 was proposed. The programme aims to support local authority contributions to sustainable urban development. Following a call for submissions in October 2018, 258 concept notes were received, 169 were evaluated and the best 43 proposals have been invited to submit a full proposal.

The three-year 'International urban cooperation' programme was adopted by the European Commission as part of the Partnership Instrument Annual Action Programme 2015 with a total budget of EUR 20.2 million. In 2018, the programme received an additional EUR 10 million and an extension to the end of 2020. The overall objective of the programme is to strengthen EU climate and urban diplomacy and leadership in the context of the New Urban Agenda and the Paris Agreement.

A number of thematic facilities targeting specific urban issues have been put in place (slum upgrading, urban resilience, climate change). A tendency towards more national and regional programmes targeting urban development can be observed.

Case studies

Participatory Slum Upgrading Programme (PSUP)

The PSUP is a joint effort of the ACP countries, the European Commission and UN-Habitat. To date, the programme has reached out to 35 ACP countries and 160 cities, and it has provided the necessary enabling framework for improving the lives of at least 2 million slum dwellers. ACP Member States have joined the programme to address the challenge of slums and improve living standards of the urban poor by adopting the programme's integrated strategies for systemic change and to benefit from technical exchanges on the achievements made in the different regions.

In practical terms, PSUP puts slums on the 'urban' maps and facilitates dialogue at local, national and regional levels. This is necessary for a change in mindset, which is key for positive policy changes. The initiation of urban strategic planning, increased budget allocations and the formation of multi-stakeholder partnerships for the sustainable improvement of the living conditions of slum dwellers are some positive results of the PSUP.

The Covenant of Mayors in sub-Saharan Africa

The CoM SSA helps local authorities and cities ensure access to energy and climate change mitigation and adaptation. By the end of 2018, the CoM SSA reached close to 140 signatory cities from 34 countries; 13 cities received grants for local climate and energy planning and pilot projects. In addition, at least 12 cities received support through the delegation agreement with EU Member State organisations.

In 2018 the European Commission also engaged with eastern and southern EU neighbours, North America and South America and south and east Asia to mobilise climate and energy initiatives. Specifically, it helps cities and local governments implement initiatives through capacity building and validation of their energy and action plans, with support from the Joint Research Centre and through in-kind contributions to the Global Covenant Secretariat.

1.3.12. SDG 12 Responsible consumption and production

Introduction

While the EU is making significant progress towards sustainable consumption and production (SCP) in Europe, it also actively promotes SCP practices in third countries through external action. Promoting SCP practices at the global level is in line with expectations from a growing number of citizens who want to know that the goods and services they buy have been produced responsibly, respecting the environment and offering decent employment to local workers.

Overview and trends

The 2018 report of the UN Secretary-General on progress towards the SDGs indicates that 'decoupling economic growth from resource use has been challenging' and that 'domestic material consumption in absolute terms is growing globally, with consequences in terms of both resource pressures and associated environmental impacts'.

The EU supports action on SCP by third countries through three main work streams:

- enabling policy frameworks for SCP by promoting inclusive policymaking;
- promoting private sector involvement by engaging with different stages in the value chain;
- facilitating investments in SCP practices through measures such as risk-sharing mechanisms.

This approach is delivering results: an evaluation of EU international cooperation on SCP published in 2018 ⁽⁴⁵⁾ indicated that, through the funding of more than 150 ‘green business’ projects under the SWITCH to Green regional programmes in Asia, Africa and the Mediterranean (corresponding to commitments above EUR 250 million since 2008), the EU has helped to improve practices in approximately 90 000 MSMEs and has sustained approximately 350 000 jobs.

The promotion of SCP practices is embedded in all relevant EU external action financing instruments, including: the Development Cooperation Instrument (DCI), which finances initiatives such as SWITCH; the European Development Fund (EDF), which finances diverse actions promoting sustainable value chains; and the Partnership Instrument, which supports similar initiatives while also benefiting EU companies, for example by creating a level playing field requiring adequate environmental, social and governance standards for all business operators.

To help make the case for the necessary transformation of world economies, the EU also supported global action on SCP and resource efficiency by contributing to the UN work on ‘green’ finance for SDGs and to the development of indicators to monitor progress on green economy transformation. Support includes the UN International Resource Panel, a science–policy interface providing an authoritative assessment of sustainable resource management. The Resource Panel issued two new reports in 2018 ⁽⁴⁶⁾.

⁴⁵ <https://europa.eu/capacity4dev/public-environment-climate/documents/scp-evaluation-final-report-full-package-publications>.

⁴⁶ <https://www.resourcepanel.org/reports/weight-cities> and <https://resourcepanel.org/reports/re-defining-value-manufacturing-revolution>.

Case studies

SWITCH Africa Green Hanisa e-waste model project

Context

Ghana generates over 150 000 tonnes of waste from electrical and electronic equipment (WEEE) annually, largely as a result of imports. Sites like Agbogbloshie (a central point for the crude dismantling of WEEE in Accra) are among the most toxic places on earth according to the WHO. The retrieval of precious metal components from WEEE presents enormous environmental challenges due to pollution from the burning of waste and exposure to lead, mercury and phosphorus. To help address these challenges, the EU provided a grant of EUR 233 675 through the SWITCH Africa Green Programme to the Ghana Environmental Protection Agency.



Objectives

The project aims to:

- develop a sustainable e-waste management system;
- establish a structured approach to e-waste education and publicity;
- provide a disposal solution for institutions, businesses and individuals.

Impact

The project has had the following outcomes:

- creation of a formal e-waste collection network;
- private sector construction of recycling plants and refurbishment centres;
- prospective domestic and international markets identified for resale of e-waste components;
- increase in proper disposal of toxic e-waste components, such as mercury, lead, cadmium, etc.;
- training of local youth in the safe handling of e-waste that can be used to earn a living;
- SME business opportunities facilitated through awareness and training activities.

Demand-side management of water use in MSMEs in Uganda

Context

Available renewable water resources in Uganda have been reduced by more than one third in the last 30 years, leading to a high dependency ratio from upstream countries (69 % in 2013). The manufacturing sector lacks awareness of the importance of this situation. Demand-side management of water use implements techniques and practices to improve efficiency. To help address these challenges, the EU contributed a grant of EUR 185 000 through the SWITCH Africa Green Programme to the Ministry of Water and Environment.

Objectives

The programme has the following aims:

- to enhance water-use efficiency and increase productivity in MSMEs;
- to create awareness about water conservation among MSMEs;
- to facilitate the adoption and optimisation of efficient water-use techniques and practices.

Impact

The following outcomes have been achieved:

- annual volume of 337 118 m³ of fresh water saved;
- annual raw material savings of USD 865 342 and annual water savings of USD 548 939;
- USD 577 220 of private sector investments in water efficiency technologies and practices.



A recovery tank installed to recover cooling water and a meter installed to measure recovered water

1.3.13. SDG 13 Climate action

Introduction

Climate change is one of the top priorities at the global level for the EU, confirmed by the increasing amount of financial resources allocated to this challenge. In December 2018, the 24th Conference of

the Parties (COP) to the UN Framework Convention on Climate Change adopted the Paris rulebook, which will allow operationalisation of the Paris agreement by all parties from 2020. The framework establishes common rules to which developed and developing countries must adhere in order to track progress as regards their nationally determined contributions (NDCs) and their adaptation efforts. All parties to the Paris Agreement submitted their NDCs, indicating their expected input to the global effort to reduce emissions. NDCs may also include strategies for adaptation to climate change impacts and to reduce climate-related risks, including through land restoration and sustainable management and other nature-based solutions.

Overview and trends

The EU supports climate change action through both dedicated (thematic) actions and through mainstreaming of climate change into other sectors.

The Global Climate Change Alliance (GCCA+) EU initiative has continued to support mitigation-specific actions (in Côte d'Ivoire and Nigeria), and eight other projects were launched in 2018. They are mainly focused on adaptation in the most vulnerable countries – that is, small island developing states (SIDS) and the LDCs⁽⁴⁷⁾.

In December 2018 the EU joined the InsuResilience Global Partnership as a core member. Launched in 2017 as a joint G7, G20 and V20⁽⁴⁸⁾ initiative, this aims to strengthen the resilience of developing countries to natural disasters and complement ongoing efforts to avert, minimise and address climate risks. Other regional actions on land restoration and sustainable use (e.g. the Great Green Wall initiative and REDD+⁽⁴⁹⁾ actions) contribute to climate change adaptation and mitigation efforts worldwide.

As the delivery of EU climate objectives requires significant investment, the EU agreed that at least 20 % of the EU budget in 2014–2020 should be climate related. The EU is broadly on track towards the 20 % target, but more needs to be done; although the financial contributions to climate action increased (from 10.3 % in 2014 to 26.8 % in 2017), based on preliminary data, the 2018 contributions are likely to have decreased. Integrating climate change is not just a matter of hitting a target, but being coherent and consistent over the long term.

The importance of mainstreaming climate change becomes evident by the fact that most of the financial contributions to climate action come from non-thematic actions (approximately 55 % of the contributions to climate action in the 2014–2017 period were the result of mainstreaming in the agriculture/food security and energy sectors). When it comes to mainstreaming of climate change, actions are screened to identify opportunities to contribute to climate change mitigation and adaptation, but also to ensure that actions themselves are resilient to climate change (e.g. engineering design of infrastructure).

The EU also supports climate action through the EU Partnership Instrument, which promotes policy cooperation with countries of strategic interest to the EU. Among other things, it aims to bolster EU relations with countries that are no longer eligible for bilateral development aid. The 'Strategic

⁴⁷ The projects were based in Cambodia, Djibouti, Maldives, Myanmar, Senegal and three Caribbean countries: Cuba, Dominican Republic and Trinidad and Tobago.

⁴⁸ The V20 Group represents a group of 20 countries whose economies are systemically vulnerable to climate change and extreme events.

⁴⁹ REDD+ is 'reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries'.

partnerships for the implementation of the Paris Agreement' (SPIPA) project, funded in part by the Partnership Instrument, was initiated to encourage major economies to implement the Paris Agreement by facilitating the translation of political commitment into concrete interventions. SPIPA contributed to the South Africa National Talanoa Dialogue in August 2018, which aims to bring together the different levels of government and various stakeholders to align on national climate action across South Africa by providing a forum in which to review the Paris rulebook.

The 'EU4Climate' programme supports the development and implementation of climate-related policies by the Eastern Partnership countries, hence contributing to their low-emission and climate-resilient development and their commitment to the Paris Agreement on climate change.

The EU participated in the Adaptation Futures Conference in Cape Town in mid-June 2018 to raise awareness of EU actions on climate change adaptation in Africa.

Efforts to reduce deforestation and land degradation, to combat loss of biodiversity and to reduce pollution are also key in fighting climate change. Forests have the capacity to absorb half of the world's CO₂ emissions, but the degradation of forests accounts for 20 % of emissions. This is why the EU supports its partner countries in transforming their economies with more sustainable pathways.

Cambodia: Happier pig farmers in a cleaner environment

Cambodia is extremely vulnerable to climate change. It needs to implement its development and climate change policies while promoting inclusive and green growth. Since 2016 the EU-funded GCCA+ has supported the National Biogas Programme (NBP) to promote the use of medium-scale biogas plants (10–20 kW) in pig farms. Successful pilots are now being disseminated and the NBP is looking for dedicated financing products to encourage the use of this technology nationwide. The main results are as follows:



- More than 20 000 biogas plants have been installed for household use.
- A network of financiers, construction companies, masons, bio-slurry specialists and aftercare technicians has been established in 14 of Cambodia's 24 provinces.
- One pig farm was able to reduce its electricity bill by 40–50 %.
- Pilot farmers reduced their emissions of CO₂e by 600 tonnes and used the biogas plant slurry as a natural fertiliser for their farming activities.

Case studies

Malawi: Farmer Field Schools empower farmers to fight climate change

Malawi is also vulnerable to climate change, and its farmers are among the most exposed. The EU-funded Farm Field Schools complement traditional agricultural advisory services by helping farmers learn how to analyse the problems they face and adopt sustainable land management techniques.



The main results are:

- increased local capacity to design and implement climate-resilient development plans;
- better adaptation of vulnerable communities' practices to climate variability and change;
- an approach that builds capacity and effectively empowers communities and households.

The Covenant of Mayors East

Context

The EU's Covenant of Mayors initiative helps municipalities in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine implement their energy and climate commitments. By providing grants intended for municipal projects, the EU contributes to their overall target to cut CO₂ emissions by 30 % by 2030, in turn helping municipalities across the region implement the Paris Agreement.

Objective

The objective is to help municipalities in the Eastern Partnership countries develop and implement sustainable energy and climate action plans. These plans are the key local energy and climate policy documents that set out how each municipality will reach its CO₂ reduction target and increase resilience to the impacts of climate change.

Impact

Almost 400 municipalities in the Eastern Partnership region have signed up to the Covenant of Mayors.

1.3.14. SDG 14 Life below water

Introduction

Oceans are an important component of the 2030 Agenda and SDG 14. Despite the pledges made in Our Ocean conferences, however, global progress on addressing threats – such as pollution and eutrophication, overfishing and destruction of habitats – has been slow. Climate change is further increasing the pressure on oceans and coastal areas, provoking coral bleaching and affecting biodiversity, fish reproduction and migration as well as global weather patterns and sea levels. Climate change will have a considerable impact on coastal communities in tropical areas.

Overview and trends

As initiated by the EU's Joint Communication on International Ocean Governance (2016), EU external action in realising SDG 14 is growing in importance, by, for example: promoting sustainable fisheries governance, protecting marine biodiversity and reducing pollution.

In Cambodia, the EU agreed on its first-ever budget support contract in the fisheries sector, the 'Capture fisheries' (CaPFish) programme, which supports the implementation of reforms in fisheries management and the fight against illegal, unreported and unregulated (IUU) fishing. Planned to start in 2019, the contract focuses on: i) conservation, management and compliance with laws and regulations; ii) fish/food safety; iii) support to fishing communities; and iv) institutional capacity. Together with the Commission of the Indian Ocean, the EU has signed the new Ecofish programme (EUR 28 million) to promote sustainable management and development of fisheries. In particular, Ecofish strengthens regional capacity to prevent, deter and eliminate IUU fishing in the African part of the Indian Ocean region and support concrete fisheries management and governance initiatives in small-scale marine and inland fisheries.

The study 'Larger than tigers: Inputs for a strategic approach to biodiversity conservation in Asia' was launched in May 2018. It supports a strategic approach to halting environmental degradation and biodiversity loss in Asia and includes a regional section on the marine ecosystem with a particular focus on the Coral Triangle. The EU also committed EUR 10 million to support integrated seascape management in the Coral Triangle, addressing the expansion, management and reinforcement of the Marine Protected Areas network, sustainable small-scale fisheries and ecosystem management.

In 2018, the EU, together with the Secretariat of the ACP countries, agreed a new support programme for ACP SIDS and coastal countries (EUR 35 million). This programme will contribute to the implementation of the SAMOA Pathway (SIDS Accelerated Modalities of Action) by supporting efforts to protect, manage and use marine and coastal biodiversity at regional, national and local levels, through targeted capacity building, strengthening knowledge-based decision-making, supporting grass-roots pilot projects and enhancing intra- and interregional cooperation for environmental sustainability. The programme will also provide a platform for sensitising all relevant stakeholders and promoting dialogue on issues relevant to the development of SIDS and coastal countries. The programme includes a pillar on ocean-related activities (EUR 9.2 million), designed to support the implementation of Regional Seas Conventions by promoting networks of Marine Protected Areas resilient to climate change and by tackling pollution of the marine environment.

In the Mediterranean region, the programme GreenMed III (EUR 48 million) was adopted in 2018 to promote resource efficiency and SCP, notably through depollution of the Mediterranean Sea and reduction of water stress. The EU will also continue supporting the development of Marine Protected Areas and the achievement of the 'good' environmental status of the Mediterranean Sea.

Through the Partnership Instrument, the EU is supporting a dedicated project (EUR 9 million) to address marine litter in hot-spot countries and rivers in east and south-east Asia. The EU will also provide EUR 17 million to help Pacific countries build waste management programmes and address issues relating to health and well-being, marine litter and biodiversity conservation.

The EU strives to support the work of Regional Seas Conventions. For example, support for implementation of the ecosystem approach in the Mediterranean Sea has some important potential ramifications for replication in other regions.

The EU is also very active on the issue of marine litter, including in discussions on a future global programme of action to protect the marine environment against land-based sources of pollution.

Case study

Improved regional fisheries governance in West Africa (Pescao)

Context

Fisheries, as typically managed in 2018, represent a threat to food security, livelihoods and marine biodiversity. Climate change is likely to make this situation worse. There are three main problems:

- poor management of fish stocks;
- widespread IUU fishing;
- lack of cooperation between regional institutions and national authorities.

Objectives

Pescao seeks to boost the contribution of fisheries resources to sustainable development, food security and poverty alleviation in West Africa. The programme has three components:

- supporting the Economic Community of West African States (Ecowas) to develop a framework for regional fisheries priorities and encourage cooperation between sub-regional organisations and development partners;
- building the capacity of national and regional authorities to deter IUU fishing;
- promoting coordinated approaches to shared fisheries management.

Impact

The Sub-Regional Fisheries Commission (SRFC) organised two joint campaigns at sea in 2018 in the exclusive economic zones (EEZs) of Gambia, Guinea, Guinea Bissau, Senegal and Sierra Leone.

The SRFC organised and coordinated the Mory Gningue (October) and Badjigui Kouate (December) joint operations. Participating coastal states provided patrol vessels and fisheries inspectors. To support patrolling, SRFC chartered the Senegalese Navy vessel *Fouladou*. These operations were organised in cooperation with the European Fisheries Control Agency (EFCA). To support the operation, the SRFC deployed two EFCA inspectors: in the coordination centre and on board one of the fishing patrol vessels. The EFCA provided integrated maritime services and Copernicus imagery to assist enforcement authorities in detecting possible unwanted activities. In total, 89 fishing vessels were inspected and 9 were ordered back to port following serious violations (illegal fishing gear, non-compliant meshing, non-declaration of catches, etc.). Where applicable, heavy fines are imposed by coastal states' authorities. For example, Guinea imposed a EUR 100 000 fine on a Chinese vessel accused of using illegal fishing equipment in its EEZ.

Testimonies

SRFC coordinator Commander Babacar Ba: Thanks to Pescao and EU support, the SRFC and EFCA are joining forces to pinpoint and sanction IUU fishing vessels that are depleting fish resources in West Africa. Joint operations combined with on-the-spot training will make all the difference!

EFCA Project Officer for Pescao, Sergio Amorim: I am proud to be part of the joint control operations organised by the Sub-Regional Fisheries Commission, which has brought West African countries together to share information and resources to combat illegal fishing. The joint control operations, organised under the Pescao project, show that fishing activities can be monitored to ensure compliance with regional and national fisheries regulations. The joint control operations are effective instruments in the fight against IUU fishing, and they can make a very important contribution in delivering more sustainable fisheries.

Andrea Patalano, EFCA fisheries control expert deployed on the *Fouladou* patrol vessel during a 2018 joint control surveillance operation: I am pleased to have taken part in one of the joint control operations organised by the SRFC. My deployment helped identify potential areas for European Union operational and training activities as part of the Pescao project. The collaborative nature of the joint surveillance operations also provides an excellent platform for the EFCA and SRFC countries to exchange best practices.

1.3.15. SDG 15 Life on land

Introduction

In developing countries the vast majority of terrestrial ecosystems and their biodiversity continue to degrade at alarming rates, affecting people's livelihoods and well-being as well as socioeconomic development⁽⁵⁰⁾. This results in habitat loss, a decrease in quantity and quality of fresh water, further land erosion and degradation, more pollution and higher emissions of greenhouse gases.

Every year in developing countries, 13 million hectares of forests are lost, mostly to agriculture expansion and forest exploitation, including illegal logging. Forests are home to more than 80 % of all terrestrial species and around 1.6 billion people depend on them for their livelihoods. Deforestation, land and forest degradation and changes in land use amount to one quarter of global emissions⁽⁵¹⁾ and, as of December 2018, trends are clearly incompatible with the aim of restricting increases in global temperature to below 1.5 °C by 2050.

Three quarters of the people living in poverty are directly affected by land degradation. Every year, 12 million hectares of productive soil are lost from desertification and drought alone. Land degradation forces farmers to migrate, with pastoralists looking elsewhere for suitable land. Tensions over land and other natural resources result in instability and conflict.

The world is on course for its sixth mass extinction of species, the first one caused by humankind, having lost 60 % of the main assessed global populations of fish, birds, mammals, amphibians and reptiles between 1970 and 2014⁽⁵²⁾. Illicit poaching and trafficking of wildlife continue to thwart conservation efforts, and wildlife and forest crime is now the fourth-largest form of criminal activity globally. Addressing all drivers of wildlife and forest crime requires the scaling-up and mainstreaming of conservation and anti-trafficking actions.

⁵⁰ 2018 report by the Intergovernmental Platform on Biodiversity and Ecosystem Services.

⁵¹ <https://repository.uneca.org/handle/10855/22514>.

⁵² https://www.wwf.ch/sites/default/files/doc-2018-10/LPR2018_Full%20Report%20Pages_22.10.2018_0.pdf.

Overview and trends

The new European Consensus on Development demands that the EU and its Member States support the sustainable management and use of natural resources, including forests, oceans, coastal areas and river basins. It highlights the need to promote agriculture and food systems that contribute to the conservation and sustainable use of ecosystems and natural resources and to addressing climate change. The main global policies in this domain are the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan to tackle illegal logging and its associated trade, the EU Action Plan against Wildlife Trafficking and the EU commitments towards the Paris Agreement on climate change.

In 2018, the Work Plan 2018–2022 for the implementation of the FLEGT Action Plan was elaborated jointly with EU Member States. The EU initialised FLEGT Voluntary Partnership Agreements with Honduras and Guyana. Moreover, the EU has continued to support FLEGT processes in 24 countries with a view to improving sustainable forest management, enhancing legality systems, building capacity of national and local authorities, strengthening CSOs (especially those representing indigenous people) and enhancing private sector compliance with national regulations.

The year 2018 has also been critical for the EU in combating deforestation. The EU supported the organisation of the international conference on Halting Deforestation and Increasing Forest Area in Rome in February 2018. The objective was to improve understanding of the roles and contributions of forestry-related sectors in promoting forest-smart activities to halt deforestation and expand forest areas, and identify lessons learned from existing initiatives. The European Commission also strengthened its commitment in the Central African Forest Initiative, which aims to preserve the value of forests by implementing low-emissions development investment frameworks that include national policy reforms and measures addressing drivers of deforestation and forest degradation. In addition, a new phase of the EU REDD+ Facility (2018–2022) was launched to help signatory countries reduce greenhouse gas emissions from deforestation and forest degradation in line with NDCs.

Three years after the ‘Larger than elephants’ report, which provided the strategic approach for wildlife conservation in Africa, the European Commission has delivered the study ‘Larger than tigers’. The report highlights Asia’s immense natural capital and provides information and analysis in support of a strategic approach to halting environmental degradation and biodiversity loss in the region. As its title suggests, the problem is far greater than survival of a single iconic species, like the tiger; vanishing species are just a part of complex natural ecosystems that benefit humanity. Many such systems, if lost, are irreplaceable. The report was co-authored by more than 200 scientists, practitioners and decision makers and is now used as a basis for further programming of biodiversity-related investments.

In 2018, support for the EU Action Plan against Wildlife Trafficking was significant (EUR 43.5 million), with the signing of 10 contracts on forests and wildlife crime. In particular, Interpol and the United Nations Office on Drugs and Crime signed two contracts for implementing the strategic action plan of the International Consortium for Combating Wildlife Crime. It will consist of capacity-building actions with the police, justice and customs services of countries in Africa, Asia and South America. On the other hand, CSOs – through a series of targeted contracts – will improve law enforcement on the ground in the pan-Amazon, Congo Basin, East Africa, Liberia and Mekong Basin regions.

The EU also actively supported the Secretariat of the Convention on Biological Diversity, including for the engagement of developing countries in the 14th COP in Egypt in November 2018. This conference also enabled decisive progress for the negotiations of a post-2020 global biodiversity framework, with the expected adoption of a new Deal for Nature at the 15th COP in Beijing in 2020.

Case studies

Supporting sustainable management of tree species through the United Nations Environment Programme and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Context

The drivers for loss of species are unsustainable production and consumption, which deplete all types of ecosystems of species and habitats. The demand for scarce and luxurious tree products threatens the survival of many species. *Dalbergia spp.* (rosewood), for example, is in such high demand globally that 28 of 86 species are now listed as endangered due to illegal harvesting. To reverse biodiversity loss, sustainable management practices must be fostered so that local populations and developing countries, which directly depend on natural resources, derive fair and long-term benefits from their sustainable use and trade.

Objective

The objective is to support implementation of conservation, management and trade regulations to curb the trend towards extinction of an increasing number of valuable tree species in biodiversity-rich countries. As of December 2018, more than 600 of the most economically valuable tree species in international trade are regulated by CITES. The project supports producing countries complying with its regulatory framework by producing non-detriment findings, a requirement for a CITES export permit.

Impact

The project has achieved a number of results:

- improved technical and technological capacity for development of non-detriment findings, including forest inventory, distributional mapping and technical guidance for species-specific management plans;
- improved silvicultural and ecological knowledge for management of CITES-listed tree species;
- successful capacity building for timber identification and effective information and tracking systems, sustainable management of, and trade in, selected tree species;
- identification tools for CITES-listed tree species improved and developed using IT applications and other training support to identify and follow CITES-listed tree species products;
- market studies produced and forest product information systems in place;
- long-term support for sustainable forest and tree management in key states.

Saving the sea turtles of Anguilla: Combining community action with scientific evidence to drive legislative change

Context

Anguilla's turtles rely on the island's coral reefs, seagrass beds, beaches and coastal vegetation to support their foraging and nesting behaviour. For Anguilla, whose main tourism draw is its beaches, protecting the integrity of this habitat for sea turtles also means protecting the most significant indirect contributor to the island's GDP. The Anguillan government established a five-year moratorium on sea turtle harvesting in 1995, which has since been extended to 2020, yet the major problem is that direct evidence about changes in sea turtle populations in the Caribbean remains limited.

Objectives

The overall objective of this project is to address the current lack of vital data about sea turtles in order to inform management and conservation on and around Anguilla. The specific objectives are to train Anguillans on the biology and conservation of sea turtles, tracking and monitoring sea turtles and marine spatial planning and data analysis. It will also develop a certification programme for sea turtle ecotour guides and certify at least 20 individuals, including local people, as sea turtle ecotour guides.

Impact

The project has achieved a number of results.

- The areas and population status of foraging sea turtles and breeding sea turtles were identified and assessed.
- Potential threats to sea turtle populations were identified and possible mitigation strategies formulated.
- A framework and supporting structures for guiding sea turtle conservation action and recovery were established.
- Increased technical expertise on sea turtle conservation and research was honed within Anguilla.
- National and international awareness and support for sea turtle and coastal conservation was increased.

1.3.16. SDG 16 Peace, justice and strong institutions

Introduction

In 2018, the EU reaffirmed its unconditional support for implementation of SDG 16 worldwide through a variety of interventions funded under thematic and geographic EU external financing instruments.

Overview and trends

Democracy, human rights and good governance

Five projects aiming to strengthen the capacities of political parties in terms of women's participation, multiparty systems, inter-party dialogue and fair and transparent political party financing began implementation in 10 countries in 2018.

The Technical Assistance Facility, Media4Democracy, continued to support the EU delegations in their efforts to promote freedom of expression and developed 'Supporting access to information: A practical guide for EU delegations'.

The EU co-financed capacity building to strengthen international tax governance and facilitated the participation of developing country experts in international tax forums such as the UN's Committee of Experts on Taxation. In parallel, the EU initiated screening (and in some cases listing) of tax jurisdictions worldwide with the objective of improving international tax governance.

Under the local authorities component of the Civil society organisations and local authorities (CSO–LA) programme, 72 contracts were signed to strengthen local authorities as partners in governance and development through active democratic participation, the promotion of human rights, the participation of women and youth in the public sphere and multilevel accountability. The Integrated Diagnostic Decentralization Framework was applied in five pilot countries, and modules on decentralisation, urban and rural development were created as a preliminary step for the development of a country-level roadmap on local authorities.

In 2018, efforts were redoubled to improve the capacities of several African countries on civil registration and vital statistical systems.

The EU continued to promote the rule of law, access to justice and the strengthening of capacities of justice institutions in several countries in Africa, Asia, Latin America and the Caribbean. Furthermore, several projects focused on ending all forms of violence, trafficking and sexual exploitation of children.

The principles of good governance, democracy, rule of law and human rights included under SDG 16 are key to the ENP's objective of stabilisation. In 2018, several new initiatives to implement reforms in these areas were launched in eastern and southern Neighbourhood countries, to improve governance and judicial independence, and deepen democracy and the respect of rule of law, including in the context of security reforms and border management.

In line with the new Western Balkan Strategy – 'A credible enlargement perspective for an enhanced EU engagement with the Western Balkans' ⁽⁵³⁾ – measures were rolled out to foster judicial independence and efficiency, empower institutions contributing to societal change and encourage regional cooperation in the region.

Moreover, the European Commission has continued to enhance linkage between public administration reform (PAR) efforts and inclusive and evidence-based law and policymaking processes at sector level, and it has supported the building of effective country systems for monitoring, reporting and evaluating public policy performance in the Enlargement and European Neighbourhood regions. In the European Neighbourhood regions, the Commission renewed its support for the OECD Support for improvement in governance and management (SIGMA) programme to facilitate more sustainable governance and PAR.

⁵³ https://eeas.europa.eu/regions/western-balkans/39711/credible-enlargement-perspective-and-enhanced-eu-engagement-western-balkans_en.

Peace, fragility and resilience

During 2018, the European Commission continued to focus on the role of development cooperation in preventing, managing and helping to resolve conflicts and crises, averting humanitarian needs and building lasting peace and good governance. In particular, the Commission launched the strategic evaluation of conflict prevention and peacebuilding for the period 2013–2017, which, once finalised, in addition to providing an independent assessment of EU support, will identify key lessons and produce recommendations on EU engagement in the field. The Commission also launched a thematic evaluation of mediation activities financed under the IcSP and concluded the evaluation on mine action under the IcSP, launched in 2017, which provided valuable insights for future engagement.

Security and stability

The implementation of the 2016 Security Sector Reform (SSR) Strategic Framework continued to make positive changes in the way EU institutions support the security sector in third countries, with the overarching goal of better securing the Union, promoting peace and EU values worldwide and contributing directly to SDG 16 of the 2030 Agenda. In 2018, two ‘SSR coordination matrices’ were finalised in Georgia and Mali with the effective engagement of EU Member States present in the field⁽⁵⁴⁾.

The EU, under the IcSP, has also supported peaceful political transitions, such as the Colombian peace process and those in Gambia and Kenya. Several activities in Afghanistan, Libya, Niger and Somalia directly complemented the work of CSDP missions.

Prevention and countering of violent extremism (P-CVE) has become a key component of EU counterterrorism policy. A number of related specific actions were launched around the world under the Strengthening resilience to violent extremism (STRIVE) programme to facilitate innovative P-CVE projects in collaboration with local communities and strengthen conditions conducive to development and resilience towards violent extremism⁽⁵⁵⁾.

Nuclear safety

The EU flagship environmental programme for Central Asia to remediate former uranium legacy sites is entering its implementation phase. During the contributors’ conference held in London on 8 November 2018, the EU pledged EUR 10 million in support.

Case studies

Justice for victims of sexual crime

In the Democratic Republic of Congo, support through IcSP for justice actors, including lawyers and local NGOs, led to a landmark decision on 26 July 2018 when the High Military Court convicted for crimes against

⁵⁴ The matrices developed under the IcSP-financed Security Sector Governance Facility provide a detailed overview of the level of engagement as of 31.12.2018 and indicate a short- to mid-term vision of future EU support for SSR.

⁵⁵ This is in line with the UN Secretary-General’s 2016 Plan of Action to Prevent Violent Extremism, which recognises the need for a practical and comprehensive approach to addressing the drivers of violent extremism, wherever they manifest themselves.

humanity a member of the Provincial Assembly of South Kivu and the members of his militia for the kidnap and rape of 39 children from Kavumu ⁽⁵⁶⁾.

The EU Security Sector Governance Facility

The EU Security Sector Governance Facility is a three-year Technical Assistance Facility, launched in 2018 under the IcSP, whose objective is to provide technical expertise globally to ensure that standards and principles like legitimacy, good governance, sustainability, ownership and holistic approaches remain central to SSR processes and EU support. The facility was used in 2018 to support the SSR processes in Gambia and Mali, among other things.

EU4Citizens: Deepening democracy in Armenia

As a response to large-scale peaceful protests by Armenian citizens and a government change in May 2018, this new action supports the Armenian reform agenda based on democracy, transparency and accountability to citizens. The first component, on 'Increased trust in government', supports the credibility and transparency of national elections, as well as human rights protection and promotion mechanisms and Open Government Initiatives. A second component on 'Deepening civic engagement in Armenia' focused on expanding the understanding of participatory democracy and of tools to engage Armenians as active citizens, at national and local levels.

⁵⁶ <https://www.iusticeinfo.net/en/tribunals/national-tribunals/38157-kavumu-trial-high-military-court-confirms-all-condemnations.html>.

The Regional Housing Programme (RHP) in the Western Balkans

Reconciliation is crucial to anchor peace firmly and to ensure lasting stability and prosperity in the region. In line with the Western Balkans Strategy, the EU supports good solutions to difficult issues through regional cooperation and rebuilding good neighbourly relations.

In this context, the RHP will provide housing to more than 34 000 vulnerable people in **Bosnia and Herzegovina, Croatia, Montenegro and Serbia**. It is an excellent example of EU commitment to addressing the consequences of the conflicts in the 1990s. The programme changes people's lives. People who have lived for 20 years in poor and often dire conditions now enjoy decent homes and can reintegrate into their former communities or build new lives elsewhere.

To support this, in 2018 the EU contributed an additional EUR 40 million to the RHP. This brings the total support for the RHP to EUR 287 million, the EU being the largest contributor with EUR 234 million or over 80 % of all contributions.

By the end of 2018, the RHP has already provided 12 000 people in need with quality, durable homes. It has also given additional assistance to improve the lives of these rehoused people, including making sure they can access services (health, education, etc.) and benefit from rights (pensions, allowances, documentation, etc.). In addition, the programme has supported more than 30 000 jobs and given 1 000 contracts to local companies. Moreover, it has improved the skills of workers and collaborated with local businesses and administrations to deliver better services.



Family house built with the support of the RHP, allowing an internally displaced family to return to their native village in Bosnia and Herzegovina.

In view of political developments, the Commission has worked with and further supported both civil society and independent media to counter the risks of shrinking space and to strengthen accountability and transparency in the region. The Civil Society Facility continued providing support to around 45 regional networks of CSOs, covering almost all the main sectors of the EU *acquis communautaire*.

1.3.17. SDG 17 Partnerships for the goals

Introduction

Successful sustainable development requires partnerships between governments, the private sector and civil society. For the EU and its Member States, work at country and global level is only deliverable if the means of implementation with multi-stakeholder partnerships is strengthened at all levels, as highlighted in the new European Consensus on Development.

Overview and trends

To strengthen the financial capacities of partner countries, EU support for DRM includes tax policy reform, support for tax administrations and international cooperation on tax matters in collaboration with institutions such as the IMF, the OECD and the World Bank. Nevertheless, bilateral cooperation with partner countries remains the EU's primary channel, especially with regard to budget support.

In collaboration with the IMF, 54 Tax Administration Diagnostic Tool (TADAT) evaluations were completed between 2016 and 2018. These assessments triggered the preparation of new tax reforms in partner countries, such as Morocco and Tunisia, and delivered excellent results in terms of revenue collection in countries like Albania, Cambodia (where, for instance, EU cooperation helped increase domestic revenues from 15.2 % of GDP in 2014 to 18 % in 2017) or Georgia. Moreover, the Commission continued to engage with European financial institutions and regional development banks on a range of topics, including mobilisation of domestic resources, public financial management, private sector, blending platforms, Africa and the Neighbourhood.

On debt issues, although borrowing is an important part of any government's financing strategy, unsustainable debt accumulation calls into question overall macroeconomic stability and access to further financing, and it often reverses development progress. The debt portfolio of developing countries is becoming significantly more complex as expanding private sector lending, international and domestic bond issuance and non-traditional financing products (e.g. collaterals) introduce new risks related to currency, refinancing and interest rates. At the same time, around 40 % of low-income countries are at high risk of, or are already in, debt distress. In this context, debt management capacity and transparency are becoming increasingly important.

The Commission is supporting international efforts to enhance debt management capacities. This includes accurately recording and reporting debt data as well as developing medium-term debt management strategies to minimise the risks and the cost of financing. The budget support programmes provide the framework in which to engage in regular dialogue on macroeconomic stability and fiscal sustainability. In 2018, the EU supported implementation of the Operational Guidelines on Sustainable Financing, which aim to enhance debt transparency of both creditors and debtors. Also in 2018, the Debt Management Facility Stakeholders Forum took place in Brussels, bringing together policymakers and debt managers from developing countries and international organisations to address emerging debt challenges.

When it comes to capacity-building support in 2018, the EU took a leading role in the activities of the GPEDC and continued to represent Member States on the steering committee of the partnership. The EU focused on implementing initiatives to strengthen partnerships at country level, developing

principles and practical guidance to ensure the development effectiveness of private sector engagement and supporting the engagement of civil society in national and global policy processes. In addition, the EU played a key role in the 2018 GPEDC monitoring round with regard to updating the methodology to incorporate the SDGs and supporting the implementation of the monitoring exercise itself, and through active participation of EU delegations at country level.

On policy and institutional coherence, joint programming of development assistance from the EU and its Member States has been a major tool to address development effectiveness issues. Joint monitoring and results frameworks conceived by the EU and its Member States have been included in an increasing number of Joint Programming Documents, such as those launched in Kenya and Senegal in 2018. This is pertinent for the 2030 Agenda and the Addis Ababa Agenda for Action, both of which call for increased policy coherence.

On strengthening multi-stakeholder partnerships, the EU has been at the forefront of working with partners to mobilise and share knowledge, expertise, technology and resources in support of the SDGs. The EU and its Member States are committed to working better together by jointly programming, implementing and monitoring their cooperation at country level.

To promote cooperation and alliance building on global issues of mutual interest, the EU is also partnering with middle-income countries – strategic partners in particular – on a peer-to-peer basis, for example through the Partnership Instrument, in line with the aims of SDG 17. Actions cover policies such as the international dimension of the Europe 2020 Strategy and boosting trade, investment and business opportunities for EU companies. This engagement also establishes partnerships on fighting climate change; for example, ‘Support to the implementation of the Paris Agreement with major economies’ encourages G20 partner countries to implement their climate change mitigation and adaptation policies successfully.

Development dialogue with non-EU development partners in 2018 was essential, such as the High-Level EU–Japan Development Policy Dialogue and the Development Policy Dialogue with South Korea.

To support civil society and local authorities, the Commission held three Policy Forums on Development: unique multi-stakeholder partnerships that aim to improve SDG implementation. The Commission also organised a Partnership Forum with networks of CSOs and associations of local authorities that signed Framework Partnership Agreements with the Commission and with the International Trade Union Confederation and the International Organisation of Employers at the same time. Additionally, the Commission launched a dialogue with foundations and held a meeting with diaspora groups on investment and entrepreneurship in order to strengthen their contribution to the achievement of the SDGs.

The EU continued to be actively engaged in development-related UN processes, including the High-Level Political Forum and the Financing for Development Forum, as well as with the announcement of the renewed EU–UN Partnership in Development. The EU continued its strong support of the UN Reforms (development system, management and security) led by the Secretary-General.

The Commission played an influential role in major OECD DAC events throughout 2018. The EU’s views were well reflected in decisions taken on OECD DAC institutional reform, innovative financing

for sustainable development and harmonisation of reporting practices, including a new SDG reporting field.

A key feature in 2018 was the further strengthening of the partnerships with international financial institutions. The European Commission ensured high-level participation at the World Bank Group (WBG) and IMF spring and annual meetings and prepared for the second Deep Dive high-level meeting. It also organised the 15th annual dialogue between the EU Member States on the board of the WBG and the EU institutions to increase EU coordination.

The Commission actively worked in the G20 Development Working Group on reducing inequalities and leaving no one behind. Support for the Canadian G7 presidency helped make tangible progress on gender equality and women's empowerment, food security, education, health, climate change, clean energy, financial stability and peace and security. The EU also played an active role in the G7 accountability process and working group through the Charlevoix Progress Report on 'Women's economic empowerment as a driver for innovation, shared prosperity and sustainable development'.

Since 2003, the EU has been a member of the multi-contributor joint competency development network Learn4dev, which remains a strong partner in sharing best practice on learning and knowledge management.

Taking into account the rapidly changing development landscape, in 2018 agile learning and the idea of creating a common entry point connecting the existing contributors' learning platforms were at the centre of discussions. As the network's most important event of the year, the 2018 annual meeting – hosted by the International Training Centre of the ILO in Turin – was an occasion not only to strengthen connections within the network, but also to work with new partners and stakeholders on creating learning scenarios.

Case studies

A pilot joint action for the nutrition sector in Ethiopia

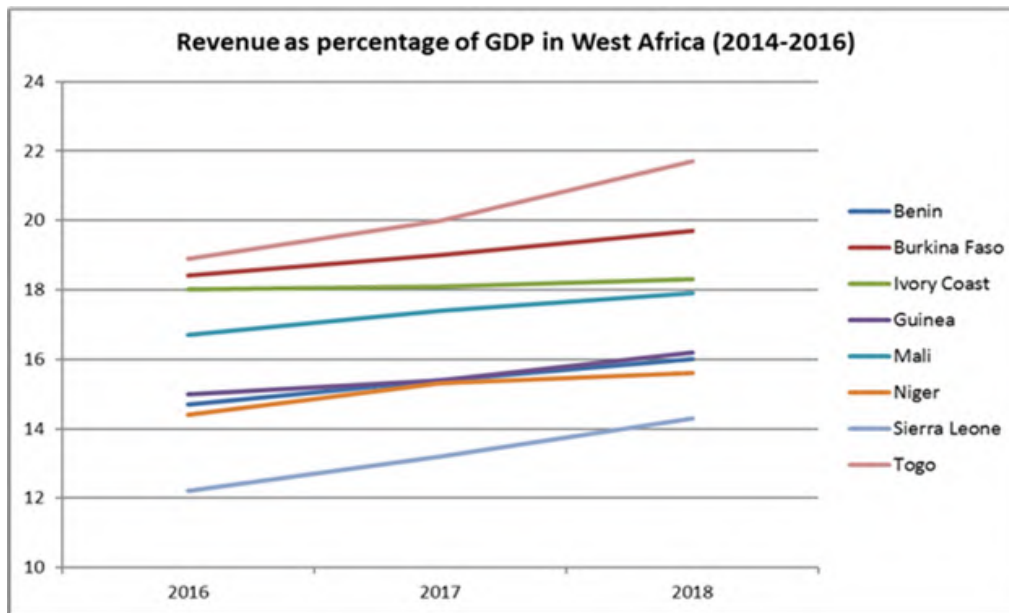
In **Ethiopia**, EU+ joint programming ⁽⁵⁷⁾ launched a pilot joint action for the nutrition sector. This action developed a coherent and cohesive response to Ethiopia's key development challenge of reducing child stunting. The EU+ Joint Strategy on Nutrition, which was launched in 2016, has led to increased transparency, complementarity, coherence and predictability of support for the nutrition sector. It has helped to identify where EU+ resources could be allocated more strategically and effectively to achieve better gains in maternal and child nutrition. Nutrition is now also better integrated into other sectors, such as education and agriculture, to address the underlying and basic causes of malnutrition more effectively. For example, recognising that the education sector plays an essential role in reducing malnutrition in a sustainable, long-term and equitable manner, the EU+ worked to increase enrolment and retention of pupils, and particularly to improve female adolescent access to education up to secondary level. Ethiopian women in particular are benefiting from the EU+ Joint Strategy because it puts them at the centre of nutrition-related interventions, both in rural and in urban settings, promoting gender equality and women's decision-making.

⁵⁷ EU joint programming means the joint planning of cooperation by the EU and one or more of its Member States. EU+ joint programming involves the EU, one or more of its Member States and other like-minded countries, in this case 20 Member States and Norway.

Indicators on domestic resource mobilisation

In **West Africa**, eight countries included indicators on domestic resource mobilisation in their budget support programmes (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger, Sierra Leone and Togo). Reforms have generally focused on the assessment of tax expenditures and improving the efficiency of value added tax systems. Since 2016, these countries have had an average increase of 1.4 % of GDP in government revenues. Although revenue collection has various determinants, this shows a clear correlation between greater engagement on domestic resource mobilisation and tangible progress in partner countries (Figure 2).

Figure 2. Revenue as a percentage of GDP in West Africa (2014–2016)



2. Results reporting and alignment to SDGs

2.1. The EU International Cooperation and Development Results Framework and the Instrument for Pre-accession Assistance (IPA II) Performance Framework

In recent years, European Commission services have stepped up efforts to foster a culture of results-based management and strengthen related reporting systems, enhancing accountability, transparency and visibility of EU aid⁽⁵⁸⁾. This includes the publishing of the EU International Cooperation and Development Results Framework (EU RF) in 2015⁽⁵⁹⁾ and a revised version in 2018⁽⁶⁰⁾. Results reporting against the revised framework is the focus of the present chapter, with two sections based on the fifth round of results reporting against EU RF indicators.

In addition, selected results for aid to the Western Balkans and Turkey region, financed by the IPA II, are presented for the first time in this report. These are from the first results reporting exercise based on the IPA II Performance Framework (IPA II PF), which was carried out in parallel to the fifth round of EU RF results reporting.

2.1.1. Revision of the EU Results Framework and results reporting exercise

The EU RF was revised in 2018 because European and international development policies had evolved since the first framework was produced in 2015. Notably, at the international level, the 2030 Agenda for Sustainable Development⁽⁶¹⁾ was adopted by the UN, and the targets and indicators for SDGs were agreed upon. At the European level, the new European Consensus on Development⁽⁶²⁾ incorporates the 2030 Agenda paradigm shift into the EU's development cooperation policy and provides a common framework for development cooperation for the EU and its Member States.

With these changes in mind, the primary aim of the revision was to align the EU RF to the new international and European policy frameworks, building on the lessons learned from its implementation since inception. The EU RF continues to be a tool used at corporate level to enhance accountability, transparency and visibility of EU cooperation and development activities.

2.1.1.1. Reporting from ongoing interventions

The function of the results framework has been reinforced and extended in the revised EU RF to support decision-making and to promote learning. Key to this process, the reporting includes for the first time a sample of ongoing operations. This represents a significant step towards the Commission's aim of further increasing data coverage and obtaining more timely information.

2.1.1.2. Coverage and structure of the revised EU RF

In line with the principles of aid effectiveness and effective development cooperation that emphasise partnerships and country ownership, results for the revised EU RF are presented on a contribution basis. That is, rather than results being based on the share of funding provided by the EU, they represent the combined efforts of a variety of partners, including the EU, Member States,

⁵⁸ COM(2011) 637 final, 30.08.2017.

⁵⁹ SWD(2015) 80 final, 23.03.2015.

⁶⁰ SWD(2018) 444 final, 11.10.2018.

⁶¹ UN General Assembly Resolution A/RES/70/1.

⁶² [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42017Y0630\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42017Y0630(01)&from=EN).

partner country governments and public institutions, local communities, contributors, international and finance agencies, CSOs, non-profit entities and private companies.

The revised EU RF is structured around three levels of results.

Level 1 corresponds to development progress in partner countries; that is, the medium- and long-term development impact achieved in partnership and collaboration with others. Such progress is, by nature, slow, and impacts reported at this level are not intended to assess the performance of EU international cooperation directly, but rather reflect the operational context in which EU external assistance is provided. The indicators at this level are selected as far as possible from the SDG indicators.

Level 2 focuses on development outcomes and outputs to which EU-funded interventions contribute in collaboration with partner governments and other funding providers. It is at this level that results most relevant for internal decision-making, accountability, communication and lesson learning are aggregated at the corporate level. Indicators from the first EU RF have been retained where relevant.

Level 3 focuses on the mainstreaming of policy priorities, as measured by budgetary commitments directed at specific cross-cutting issues (e.g. human development, gender, nutrition). This is to avoid duplication of reporting elsewhere and partial reporting. Level 3 focuses on finance data.

To increase coherence with international and European policy frameworks, the EU RF is now framed around the SDGs and incorporates results statements to articulate the key EU international cooperation objectives, as reflected in the Consensus.

As with the first EU RF, a methodology note is available for each of the indicators in the revised framework. The notes provide clear definitions, inclusion/exclusion criteria, etc., and they ensure transparency as well as consistency in application of the indicators ⁽⁶³⁾.

2.2. Results-based management

The EU RF is one component of a broader system that supports results-based practices throughout the whole intervention life cycle. This system has been continually strengthened in recent years to deliver better on results-oriented development cooperation.

Internal monitoring: At the intervention level, the logical framework matrix, with appropriate indicators, is used for internal monitoring. To prepare the ground for solid monitoring, peer review is carried out during the design of interventions, supporting the formulation of robust indicators, baselines and targets.

Annual internal management reporting: Once a year, the heads of EU delegations across the world identify potential difficulties and delays in the implementation cycle of ongoing EU development cooperation interventions. This reporting helps the European Commission services in taking appropriate corrective measures.

External appraisal: Internal monitoring is supplemented by external monitoring (results-oriented reviews), which is carried out to provide independent advice on improving project delivery.

⁶³ The methodological notes can be found at the following Capacity4dev web page: <https://europa.eu/capacity4dev/eu-rfi>.

Results frameworks: The EU RF is the monitoring tool used to report aggregated results at corporate level. It complements other monitoring and reporting frameworks that were developed for the sectoral level or for specific initiatives; an example is the EUTF for Africa's results framework.

Data used for reporting on the EU RF

Level 1 reports figures published by international data sources (SDG indicators, World Bank, etc.). Results are presented by region where figures are available. In some cases, poor availability of data means that regional aggregates are not possible. Here, results are presented at country level instead. Whereas the previous EU RF covered EU partner countries only, reporting on the revised framework considers all countries included in reporting by international data sources.

Level 2 reports results from a set of EU-funded interventions, both ongoing and completed ⁽⁶⁴⁾: those that started in January 2014 or later, have had an EU contribution of EUR 750 000 or more and were under implementation for at least 24 months at the time of project selection (June 2018).

The sample of ongoing interventions will be expanded over time, notably with the help of a new IT platform which, as of December 2018, is under development. This staged expansion means that, as with previous results reporting, the annual figures are not suitable for assessing trends over time. For example, increases in figures reported may simply be due to expansion in the sample at different points in time. In addition, the move to include ongoing interventions in the revised EU RF means that results reported this year are not directly comparable with those reported in previous years.

To illustrate the results achieved since the first EU RF, the results are cumulated over time for indicators that have had no definitional change; this is also done for indicators where definitional changes have led to underestimation (or more conservative estimates) of totals using current EU RF definitions. This presentation is purely for illustrative purposes, and it is recognised that there are limitations to presenting figures in this manner.

Level 3 reports on organisational performance based on financial data referring to the calendar year 2018 ⁽⁶⁵⁾.

More technical details on all levels of the EU RF and detailed results tables can be found in the annexes.

2.3. Overview of results for EU RF Level 2

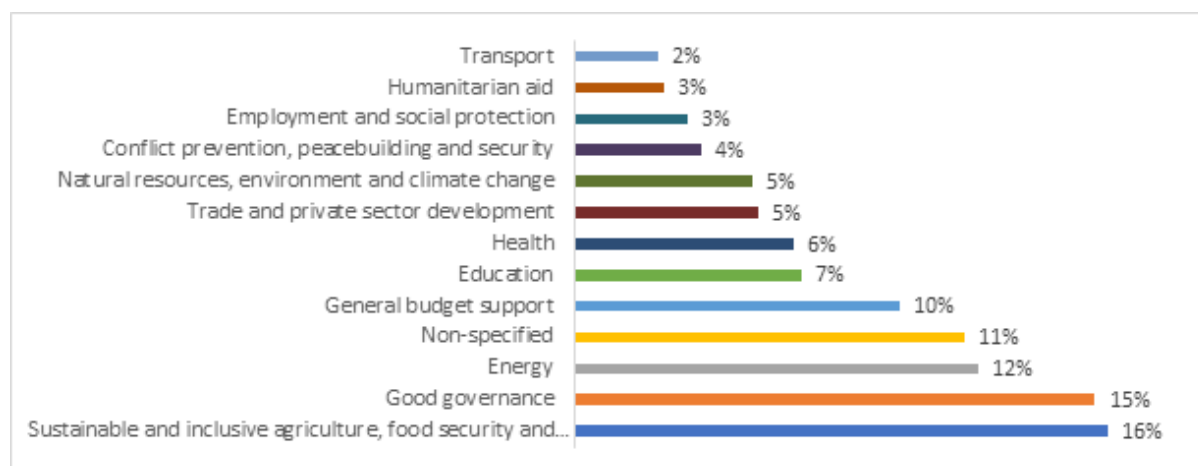
With a focus on results that can be closely linked to EU-funded interventions, Level 2 of the EU RF forms the core of results reporting.

The total expenditure corresponding to the interventions included in the latest round of data collection, in 2018, was EUR 4.720 billion. Figure 3 shows the expenditure for the projects and programmes broken down by sector.

⁶⁴ The interventions were financed using the following instruments: the EDF; the DCI; the programmable part of the IcSP under Article 5; the EIDHR; the Instrument for Nuclear Safety Cooperation; the Instrument for Greenland; and the European Neighbourhood Instrument (ENI).

⁶⁵ The interventions were financed using the following instruments: the EDF; the DCI; the programmable part of the IcSP under Article 5; the EIDHR; the Instrument for Nuclear Safety Cooperation; and the Instrument for Greenland.

Figure 3. Expenditure by sector for projects/programmes reporting results against EU RF indicators (%)



NB: Due to differing reporting structures, Figure 3 does not cover results from the EUTF for Africa and the EU–Africa Infrastructure Trust Fund (ITF).

Please note the following.

a) Information is based on the OECD DAC sector codes assigned to each project and programme; clear one-to-one mapping between the sectors, as defined by the OECD DAC and by the EU RF, is not always possible.

b) There are some OECD DAC sectors that are not explicitly covered by the sectors of the EU RF; in particular, general budget support (GBS) has its own OECD DAC sector code but is not covered by a specific sector in the EU RF; results achieved through GBS programmes are reported under different EU RF sectors (mainly in health and in education).

c) Unspecified expenditure includes, among other types, expenditure on urban development, actions relating to debt, programmes on culture and recreation, and ICT.

Table 1 shows the latest aggregated results for EU RF Level 2 indicators. Note that historical data are not available for EU RF indicators that have been substantially revised. Note also that there is no entry for the EU RF indicator 2.22b ‘Marine areas under b) sustainable management with EU support (km²)’. This indicator was introduced in the revision and, as of December 2018, the methodology is still under development (closely following the ongoing work done by the UN on SDG indicator 14.2.1 ‘Proportion of national EEZs managed using ecosystem-based approaches’). Furthermore, EU RF indicator 2.9 ‘Number of individuals with access to electricity with EU support through a) new or b) improved access’ currently only reports the number of individuals with new access, due to data limitations. Improved access will be reported in the forthcoming years.

Table 1. EU RF Level 2 – Latest aggregated results achieved with EU support, 2013–2018 ^(a)

No	EU RF indicator	2013–2017 ^(b)	2018	2013–2018
2.1	Number of food-insecure people receiving EU assistance ^(d, e)	14 159 000	12 038 000	26 197 000

No	EU RF indicator	2013–2017 ^(b)	2018 I	2013–2018
2.2	Number of women of reproductive age, adolescent girls and children under five reached by nutrition-related interventions supported by the EU ^(e)	11 976 000	5 811 000	17 787 000
	<i>Food-insecure people</i>	–	1 381 000	1 381 000
2.3	Number of smallholders reached with EU-supported interventions aimed to increase their sustainable production, access to markets and/or security of land ^(e, f)	3 841 000	3 144 000	6 985 000
	<i>Food-insecure people</i>	–	828 000	828 000
2.4	Agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha)	3 675 000	476 000	4 152 000
2.5	Number of one-year-olds fully immunised with EU support	13 253 000	63 806 000	77 060 000
2.6	Number of women of reproductive age using modern contraception methods with EU support ^(g)	–	13 850 000	13 850 000
2.7a	Number of students enrolled in education with EU support: a) primary education	47 763 000	10 041 000	55 438 000
2.7b	Number of students enrolled in education with EU support: b) secondary education	21 087 000	1 767 000	22 803 000
2.8	Number of individuals with access to improved drinking water source and/or sanitation facility with EU support ^(h)	–	723 000	723 000
2.9	Number of individuals assessing electricity with EU support through: a) new access; b) improved access ⁽ⁱ⁾	–	–16 853 000	
2.10	Renewable energy generation capacity installed with EU support (MW) ^(h)	–	–7 300	
2.11	Number of jobs supported/sustained by the EU ^(h)	–	67 000	67 000
2.12	Number of countries supported by the EU to strengthen investment climate	–	46	46
2.13a	Number of beneficiaries with access to financial services with EU support: a) firms	37 000	4 900	42 000

No	EU RF indicator	2013–2017 ^(b)	2018	2013–2018
2.13b	Number of beneficiaries with access to financial services with EU support: b) individuals ^(h)	–	1 163 000	1 163 000
2.14	Number of quality schemes adopted by economic operators with EU support	1 500	64	1 600
2.15	Number of people who have benefited from institution- or workplace-based VET/skills development interventions supported by the EU ⁽ⁱ⁾	882 000	138 000	1 021 000
2.16	Total length of road supported by the EU through: a) construction; b) rehabilitation; c) maintenance (km) ^(k)	43 000	22 000	65 000
2.17	Number of migrants, forcibly displaced people or individuals from host communities protected or assisted with EU support ^(l)	–	1 500 000	1 500 000
2.18a	Number of migration management or forced displacement strategies or policies: a) developed/ revised with EU support ^(m)	–	24	24
2.18b	Number of migration management or forced displacement strategies or policies: b) under implementation with EU support ^(l)	–	19	19
2.19	Number of countries and cities with climate change and/or disaster risk reduction strategies: a) developed; b) under implementation with EU support ⁽ⁿ⁾	100	91	191
2.20	Number of MSMEs applying SCP practices with EU support	27 000	6 500	33 000
2.21	Greenhouse gas emissions avoided with EU support (tonnes CO ₂ e) ^(h)	–	–	18 376 000
2.22a	Marine areas under: a) protection with EU support (km ²) ^(h)	–	2 700	2 700
2.23a	Areas of terrestrial and freshwater ecosystems under: a) protection with EU support (ha) ^(o)	46 572 000	6 936 000	53 508 000
2.23b	Areas of terrestrial and freshwater ecosystems under: b) sustainable management with EU support (ha) ^(h)	–	155 000	155 000
2.24	Number of countries supported by the EU to conduct elections and/or improve their electoral	–	22	22

No	EU RF indicator	2013–2017 ^(b)	2018 ^(c)	2013–2018
	process ^(p)			
2.25	Number of government policies developed or revised with civil society organisation participation through EU support ^(h)	–	93	93
2.26	Number of victims of human rights violations directly benefiting from assistance funded by the EU ^(q)	–	42 000	42 000
2.27	Number of people directly benefiting from legal aid interventions supported by the EU	1 682 000	168 000	1 849 000
2.28	Number of individuals directly benefiting from EU-supported interventions that specifically aim to support civilian post-conflict peacebuilding and/or conflict prevention	2 789 000	285 000	3 074 000
2.29	Number of state institutions and non-state actors supported on security, border management, countering violent extremism, conflict prevention, protection of civilian population and human rights ^(r)	–	2 300	2 300
2.30	Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency ^(s)	–	98	98

^a Total figures, covering 2013 to 2018, may not equal the sum of results from 2013–2017 and 2018. This is due to avoidance of double counting, because of rounding figures, or both.

^b Refers to data collected from EU-funded interventions that ended between July 2013 and June 2017.

^c Refers to data collected from EU-funded interventions that started from January 2014 onward and either ended between July 2017 and June 2018 or were ongoing at the time of project selection (June 2018).

^d The EU RF value is cumulated across years with the results for the indicator from the previous EU RF: ‘Number of food-insecure people receiving assistance through social transfers supported by the EU’. The focus on social transfers means the previous indicator has a narrower definition of food-insecure people.

^e The number reported under indicator 2.1 may overlap with those for indicators 2.2 and/or 2.3. Indeed, food-insecure people may also be reached by nutrition-related interventions covered by indicator 2.2 and/or interventions aimed to increase smallholders’ sustainable production, access to markets and/or security of land covered by EU RF 2.3. For indicators 2.2 and 2.3, the numbers of food-insecure people reached (based on the revised EU RF) are reported separately.

^f This indicator was introduced in the 2018 revision of the EU RF. It combines parts of the previous EU RF indicators ‘Number of people receiving rural advisory services’ and ‘Number of people who have secure tenure of land’ (values for 2013–2017: 3 841 000 and 815 000, respectively). For the purpose of reporting across years, the current value for the new EU RF indicator is cumulated with the historical data for ‘Number of people receiving rural advisory services’.

^g This indicator was introduced in the 2018 revision of the EU RF. In the previous EU RF, the related indicator ‘Number of women using any method of contraception’ had a wider scope and reported a value of 57 302 000 for 2013–2017.

^h This indicator was introduced in the 2018 revision of the EU RF. No data were collected prior to the revision.

ⁱ This indicator was newly introduced in the 2018 revision of the EU RF. The value reported represents inferred access to electricity for the overall reporting period 2013–2018. It currently does not include the number of individuals with access to electricity with EU support through improved access, due to data limitations. Improved access will be reported in the forthcoming years. As a result, the number of people with access to electricity (new or improved) through EU support is expected to be significantly higher.

^j Besides reporting on interventions covered by the EU RF, this indicator also includes 2018 figures reported through the EUTF (window: Horn of Africa – excluding life skills, in line with the EU RF methodology).

^k The 2018 value corresponds to: a) 250 km constructed; b) 300 km rehabilitated; and c) 21 000 km maintained. It is cumulated with the indicator from the previous EU RF: ‘Total length of road constructed/rehabilitated/maintained (km)’.

^l This indicator was introduced in the 2018 revision of the EU RF. Besides reporting on interventions covered by the EU RF, the value also includes 2018 figures reported through the EUTF for Africa (windows: Horn of Africa; North Africa; Sahel and Lake Chad).

^m This indicator was introduced in the 2018 revision of the EU RF. Besides reporting on interventions covered by the EU RF, the value also includes 2018 figures reported through the EUTF for Africa (window: North Africa).

ⁿ The 2018 value corresponds to: a) 60 strategies developed and b) 35 strategies implemented but does not equal the sum of these figures as there is double counting.

^o The value for 2013–2017 is from a related indicator in the previous EU RF: ‘Number of hectares of protected areas managed with EU support’.

^p This indicator was introduced in the 2018 revision of the EU RF. In the previous EU RF, the related indicator ‘Number of elections supported by the EU where the electoral process is perceived by independent observers as free and fair’ had a different scope and reported a value of 38 elections for 2013–2017.

^q This indicator was introduced in the 2018 revision of the EU RF. In the previous EU RF, the related indicator ‘Number of human rights defenders who have received EU support’ had a different scope and reported a value of 138 000 for 2013–2017.

^r Besides reporting on interventions covered by the EU RF, this indicator also includes 2018 figures reported through the EUTF for Africa (windows: Horn of Africa; Sahel and Lake Chad).

^s This indicator was introduced in the 2018 revision of the EU RF. In the previous EU RF, the related indicator ‘Number of countries where overall public financial management has improved’ had a different scope and reported a value of 30 countries for 2013–2017.

2.4. Results reported under the EU RF per SDG

In this section, presentation of EU RF results is structured according to the 17 SDGs⁽⁶⁶⁾. For each SDG in turn, a short update on progress is given, followed by the relevant results statement(s) from the new European Consensus on Development and the latest data for EU RF indicators; the latter include results for each of the three EU RF levels, depending on availability for each SDG. Additionally, results achieved at Level 2 (outcomes and outputs supported by the EU) are complemented by selected examples from EU-funded interventions. These examples also highlight

⁶⁶ The revised EU RF as presented in SWD(2018) 444 does not link Level 3 indicators to specific SDGs. For the purpose of this report, results from each of the 10 Level 3 indicators are presented with reference to a specific SDG, even though they may actually contribute to more than one of the goals.

priorities which are not captured by EU RF indicators, such as youth, people with disabilities and digitalisation.

2.4.1. SDG 1 No poverty

While extreme poverty has eased considerably since 1990, pockets of the worst forms of poverty persist. Ending poverty requires universal social protection systems aimed at safeguarding all individuals – women and men, boys and girls – throughout the life cycle. It also requires targeted measures to reduce vulnerability to disasters and to address underserved geographic areas within each country ⁽⁶⁷⁾.

Eradicate poverty, leave no one behind

EU RF indicator 1.1 Proportion of population below the international poverty line (2015)

World	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	Northern America	Sub-Saharan Africa	Southern Asia
10.0 %	2.3 %	1.5 %	4.1 %	5.0 %	–	41.1 %	16.2 %*

* This figure is based on data for 2013.

2.4.2. SDG 2 Zero hunger

After a prolonged decline, world hunger appears to be on the rise again. Conflict, drought and disasters linked to climate change are among the key factors causing this reversal in progress ⁽⁶⁸⁾.

Pursue an end to hunger and undernutrition and systematically integrate resilience in all actions

EU RF indicator 1.2 Prevalence of moderate or severe food insecurity in the population (2015)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
23.9 %	62.4 %	32.1 %	27.8 %	11.0 %	–	–	9.3 %

EU RF indicator 1.3 Prevalence of stunting among children under five years of age (2017)

⁶⁷ <https://sustainabledevelopment.un.org/sdg1>.

⁶⁸ <https://sustainabledevelopment.un.org/sdg2>.

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
22.2 %	32.6 %	16.3 %	32.4 %	13.2 %	9.6 %	–	–

EU contributions to development progress in partner countries: EU RF indicators 2.1 and 2.2

12 038 000 food-insecure people received EU assistance

5 811 000 women of reproductive age, adolescent girls and children under five were reached by nutrition-related interventions supported by the EU, among whom 1 381 000 were food-insecure

Along with other international contributors, the EU is supporting **Ethiopia’s** Productive Safety Net Programme (PSNP), which aims to reduce vulnerability to food insecurity by providing economic opportunities and building resilience to crises. The fourth phase of the PSNP started in mid-2015 with an integrated approach to social protection, food security and natural resources management. The programme addressed environmental issues and climate change, focusing on increasing resilience to shocks, reducing deforestation through land restoration and improving environmental management. In addition, the programme assisted 8 million food-insecure individuals with social protection intervention. Of these, 46 000 pregnant and lactating women and children under five were provided with effective support, guidance and counselling on nutrition. Furthermore, those who were unable to work (elderly people, those with disabilities, pregnant and lactating women – corresponding to 17 % of the beneficiaries) received direct grants throughout the year. The PSNP also implemented a livelihood facilitation component with the aim of improving the livelihood conditions of food-insecure people.

In partnership with the government of **Nigeria** and Unicef, the EU launched the second phase of ‘Maternal, Newborn, Child Health and Nutrition Support’ in three states of northern Nigeria. The intervention serves poor, marginalised, rural women and under-fives with an integrated approach covering:

- health
- HIV/AIDS
- nutrition, water, sanitation and hygiene
- child protection
- social protection.

More than 2.5 million beneficiaries – pregnant women, lactating mothers and children under five – were assisted with nutrition supplements and healthcare. In addition, the intervention focused on building capacities in order to institutionalise birth registration services within the healthcare

delivery systems. With EU support, since 2016, more than 2.1 million children have been registered in the three target states, achieving the highest birth registration rates in Nigeria.

Mainstreaming of policy priorities: EU RF indicator 3.1

At the Nutrition for Growth summit in London on 8 June 2013, during the United Kingdom's presidency of the G8, the EU pledged to provide EUR 3.5 billion between 2014 and 2020 to reduce stunting. So far, EUR 2.073 billion has been committed (2014–2018).

3.1 Amount of EU-funded international cooperation and development assistance directed at nutrition (EUR)							
	2014	2015	2016	2017	2018	2014–2018	Target
Commitment	229.9 million	309.6 million	892.9 million	376.3 million	264.2 million ⁽⁶⁹⁾	2.07 billion	3.5 billion (2014–2020)
Payment	163.6 million	172.4 million	268.2 million	329.9 million	– ⁽⁷⁰⁾	–	

Support sustainable agriculture and fisheries, especially for smallholders

EU RF indicator 1.4 Value added of agriculture as a percentage of GDP (2016) ⁽⁷¹⁾

World	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	Northern America	Sub-Saharan Africa	Southern Asia
3.6 %	5.1 %	1.9 %	4.9 %	5.3 %	1.0 %	15.8 %	16.7 %

EU contributions to development progress in partner countries: EU RF indicators 2.3 and 2.4

3 144 000 smallholders – 828 000 of whom were food-insecure – were reached with EU-supported interventions aimed at increasing their sustainable production, access to markets and/or security of land

476 000 hectares of agricultural and pastoral ecosystems were managed by sustainable land management practices with EU support

The EU and the World Bank joined efforts to support the National Horticulture and Livestock Project under the framework of the **Afghanistan** Reconstruction Trust Fund. The intervention is

⁶⁹ This is a preliminary figure.

⁷⁰ The figure is not yet available.

⁷¹ The World Bank indicator for agriculture includes forestry, hunting and fishing as well as cultivation of crops and livestock production.

implemented in collaboration with the Ministry of Agriculture, Irrigation and Livestock. The development objective is to promote the adoption of improved production practices by target farmers with gradual rollout of farmer-centric agricultural services systems and investment support. It is aligned with the National Comprehensive Agriculture Production and Market Development Programme. The intervention has three components:

- horticultural production
- animal production and health
- implementation management and technical assistance support.

The activities are implemented in 208 districts in up to 34 target provinces. As of December 2018, the intervention has provided 614 000 smallholders (228 000 women and 386 000 men) with advisory services and training.

The EU funded the ‘Energising access to sustainable energy’ programme, focusing specifically on promoting the resilience and livelihoods of the rural beneficiaries in seven Local Government Areas in Katsina State, **Nigeria**. The intervention contributed to reducing the fuelwood consumption by farming households and improving the fuelwood balance and farmers’ resilience to external shocks through the following main actions:

- introduction of sustainable agroforestry systems for enhanced crop and livestock production,
- promotion of fuelwood-saving technologies for on-farm use (clean cooking stoves),
- improvement of the management of wood resources through on-farm planting and regeneration of trees.

More than 55 000 pastoral farmers received training and advisory services and engaged in farmer-managed natural regeneration and other agroforestry models, covering a surface of 147 000 hectares.

2.4.3. SDG 3 Good health and well-being

Many more people are living healthier lives in 2018 than in 2008. Nevertheless, people are still suffering needlessly from preventable diseases, and too many are dying prematurely. Overcoming disease and ill health will require concerted and sustained efforts, focusing on population groups and regions that have been neglected (⁷²).

Build strong, good-quality and resilient health systems, providing equitable access to health services and universal health coverage

EU RF indicator 1.5 Universal Health Coverage index (2015)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
64	42	65	54	72	75	74	77

EU contributions to development progress in partner countries: EU RF indicator 2.5

63 806 000 one-year-olds were fully immunised with EU support

Gavi, the Vaccine Alliance, is an international organisation created in 2000 to bring together public and private sectors with the shared goal of creating equal access to new and underused vaccines for children living in the world’s poorest countries. The EU has been a contributor to Gavi since 2003.

⁷² <https://sustainabledevelopment.un.org/sdg3>.

In collaboration with WHO and Luxembourg, the EU launched the ‘Policy dialogue on national health policies, strategies and plans’ initiative in 2011. This aims at building country capacities for the development, negotiation, implementation, monitoring and evaluation of robust and comprehensive national health policies, strategies and plans, with the view of promoting universal coverage, people-centred care and health in all policies. It aims at strengthening country processes, as well as (where appropriate) aid effectiveness in line with the principles of the International Health Partnership. Since its inception in 2011, other contributors have joined the initiative (Irish Aid, the Government of Japan and the French Ministry of Europe and Foreign Affairs), and the partnership has expanded steadily, reaching 65 member countries worldwide.

Universal access to quality and affordable comprehensive sexual and reproductive health information and services, including access to family planning

EU RF indicator 1.6 Adolescent birth rate per 1 000 adolescents aged 15–19 years (2018)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
43.9	101.4	40.5	31.8	20.8	61.3	27.4	15.0

EU contributions to development progress in partner countries: EU RF indicator 2.6

13 850 000 women of reproductive age were using modern contraception methods with EU support

In **Kenya**, the EU implemented a family health project to improve maternal and child health and sexual and reproductive health, as well as to raise awareness on family planning and nutrition among communities in Manyatta and Nyalenda in Kisumu County, western Kenya. The intervention had three main components:

- capacity building to ensure non-state and state health actors meet needs relating to maternal, newborn and child health, family planning, sexual and reproductive health and nutrition,
- awareness-raising so that men, women and adolescents take part in health decision-making and demand accountability and quality health services,
- empowerment of men, women, children and vulnerable groups in order to increase utilisation of services and take up health-conducive practices.

Over three years of implementation, the intervention has succeeded in establishing and/or restoring health facilities and community health units offering sexual, reproductive, maternal and newborn health and nutrition services. It also provided training to peer educators to mobilise community members and marginalised youths in participatory education on health-conducive behaviours to

counter retrogressive cultural practices regarding maternal and child health, sexual and reproductive health and nutrition. More than 10 000 women received assistance on sexual and reproductive health, family planning and modern contraception methods.

2.4.4. SDG 4 Quality education

Over 50 % of children and adolescents worldwide are not meeting minimum proficiency standards in reading and mathematics. Refocused efforts are needed to improve the quality of education. Disparities in education along the lines of gender, urban–rural location and other dimensions still run deep, and more investment is required in education infrastructure, particularly in the LDCs ⁽⁷³⁾.

Support inclusive lifelong learning and equitable quality education

EU RF indicator 1.7 Literacy rate of 15–24-year-olds (2016)

World	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	Northern America	Sub-Saharan Africa	Southern Asia
91.4 %	98.7 %	99.8 %	98.4 %	90.8 %	–	75.3 %	88.3 %

EU contributions to development progress in partner countries: EU RF indicator 2.7

10 041 000 students enrolled in primary education with EU support

1 767 000 students enrolled in secondary education with EU support

Through a budget support programme to the Ministry of Education in **Jordan**, the EU helped to provide quality education to Syrian pupils both in the refugee camps and the host communities. The intervention covered several dimensions of the education sector, for example improving schools and library facilities (equipment, furniture, stationery and books) – including computer and science education – and promoting the creation of community-based organisations in host communities and camps to support quality education and reduce dropout rates. By the end of the programme (school year 2016/17) more than 126 000 Syrian children received primary and secondary education free of charge. As part of this intervention, six new schools were built. In addition, in 2015 the programme introduced the biannual measurement of education quality in 30 schools, which has supported moves to provide quality education to both Syrian and Jordanian students in host communities and camp schools. This innovative approach has rallied all international contributors (from Australia to the United Kingdom) to support the Ministry of Education.

Already before the 2013 conflict, the education sector in **Central African Republic** was facing many challenges. The situation became even worse with successive crises in the country. In the aftermath of the 2013 crisis, over one third of schools had been damaged or occupied by armed groups. As a result, the quality of education suffered greatly. In 2016, the completion rate of primary education

⁷³ <https://sustainabledevelopment.un.org/sdg4>.

was around 48 %, and large disparities existed between girls (40 %) and boys (54 %). The EU contributed to improving the school system and guaranteeing access to primary school for more than 191 000 pupils (90 000 girls and 101 000 boys), exceeding the target of 150 000 pupils. The EU intervention applied a comprehensive approach, ensuring:

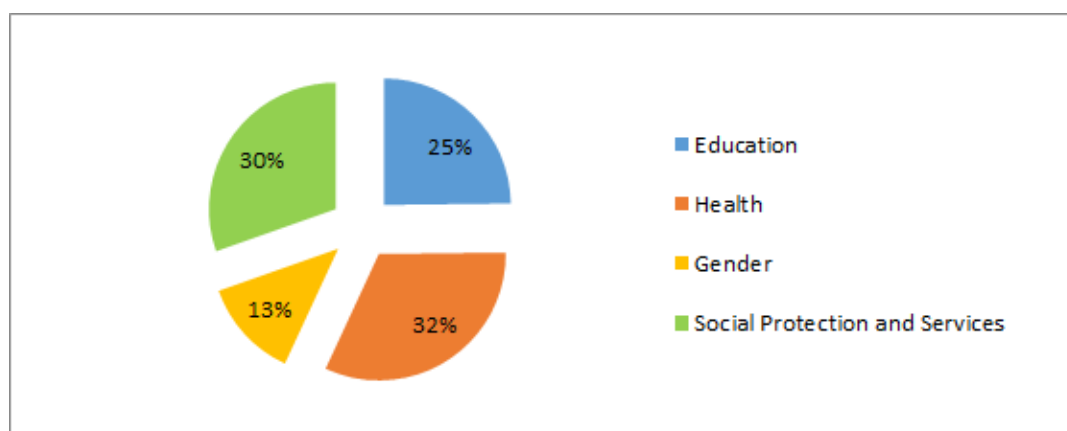
- capacity building of the Ministry of Education to ensure coherent policies and planning and a reliable statistical system;
- improvement of the learning environment and restoration of school facilities, as well as teacher training and creation of community centres to assist and protect children, especially those most affected by the conflict.

Mainstreaming of policy priorities: EU RF indicator 3.2

The EU RF Level 3 indicator related to support for human development can be linked to SDG 4. Human development is about ensuring all people can live a life in dignity, out of poverty, with their rights protected and fulfilled. 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). The new European Consensus on Development reiterates this target. By 2018, 18.4 % of EU-funded international cooperation and development assistance was committed towards supporting human development. This is broken down by sector in Figure 4.

3.2 Share of EU-funded international cooperation and development assistance directed at supporting human development						
2014	2015	2016	2017	2018 ⁽⁷⁴⁾	2014–2018 ⁽⁷⁵⁾	Target
15.8 %	21.0 %	13.7 %	17.1 %	23.3 %	18.4 %	20.0 %

Figure 4. Commitments towards human development by sector, 2018 (%)



Source: European Commission

⁷⁴ As of 2018 the indicator now also considers gender, following revision of the EU RF.

⁷⁵ As of 2018 the indicator now also considers gender, following revision of the EU RF.

2.4.5. SDG 5 Gender equality

Gender equality and empowerment of women and girls are fundamental human rights and an essential precondition for equitable and inclusive sustainable development. While some forms of discrimination against women and girls are in decline, gender inequality continues to hold women back and deprives them of basic rights and opportunities. The level of gender equality achieved is uneven across regions and within countries. Worldwide, girls and women continue to be systematically left behind and discriminated against, and persistent violations of their rights occur on a daily basis.

Empowering women requires the addressing of structural issues such as unfair social norms and attitudes, as well as developing progressive legal frameworks that promote equality between women and men. The EU is firmly committed to supporting gender equality and empowerment of women and girls worldwide. It works towards removal of obstacles related to legislation, social norms and gender stereotypes to ensure voice and participation for girls and women, to increase their agency in social, economic, political and civil life.

Elimination of all forms of discrimination against women and girls

EU RF indicator 1.8 Proportion of seats held by women in national parliaments (2018)

World	Sub-Saharan Africa	Northern Africa and Western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
23.4 %	23.6 %	18.1 %	15.4 %	20.3 %	29.5 %	15.5 %	28.4 %

EU contributions to development progress in partner countries

The elimination of all forms of discrimination against women and girls is a priority across all areas of EU external action, as stressed in the Council conclusions on the implementation of GAP II and outlined in ‘Gender equality and women’s empowerment: Transforming lives of girls and women through EU external relations 2016–2020’. GAP II focuses on taking action and transforming lives through the following pivotal areas:

- ensuring girls’ and women’s physical and psychological integrity,
- promoting the economic and social rights/empowerment of girls and women,
- strengthening girls’ and women’s voice and participation.

In addition, a fourth goal emphasises the need to shift institutional culture to deliver more effectively on EU commitments.

The EU uses a three-pronged approach to gender equality:

- policy and political dialogue
- gender mainstreaming
- targeted actions.

Special attention is given to mainstreaming gender equality across all policies and programmes as a key contribution to the successful achievement of the SDGs ⁽⁷⁶⁾. Due to the cross-cutting nature of women's and girls' rights, the EU RF does not contain a specific indicator to report on gender equality, though sex-disaggregated data are collected where available. In line with GAP II, all EU interventions should be gender-mainstreamed or deliver stand-alone interventions on gender equality. The examples below are selected results from stand-alone programmes targeting women empowerment, gender equality and reduction of gender-based discrimination. Furthermore, throughout the present chapter, examples refer to relevant results that highlight the work the EU does, relating to all SDG areas, for the advancement of women's empowerment and to reduce inequalities between men and women.

Although gender discrimination is illegal and condemned in **India**, many practices, such as female feticide, child marriage, sexual and physical abuse of women and the general devaluation of girls are commonplace in parts of the country. Moreover, girls and women are often afraid to report abuse, such as harassment, sexual abuse, rape, dowry-related abuse, domestic violence and being forced to undergo sex-determination tests and sex-selective abortion. They fear that taking legal action will tarnish their image in society; also, they feel unsafe taking action against the perpetrators of violence. Mana Bidda, a three-year EU-funded intervention, aimed to eliminate discriminatory practices in Kadapa – the second-largest city in the south-eastern state of Andhra Pradesh – through grass-roots education and legal help. The objective of this intervention was to reduce gender-based discrimination and improve the quality of life of girls and women. Activities included:

- changing entrenched mindsets on gender roles;
- sensitising professionals on the topics of discrimination and female infanticide;
- improving the employability of girls and young women;
- advocacy for stringent implementation of discrimination laws and the creation of workshops;
- centres and groups for women and children.

In its three years of implementation, the intervention provided legal, medical and psychological support to one million girls and women.

In collaboration with several UN agencies, the EU implemented the Joint Rule of Law Programme in the Federal Republic of **Somalia**. The initiative provided significant capacity building support to the justice sector and contributed to the establishment of independent, accountable and efficient justice institutions capable of addressing the needs of the people of Somalia and delivering justice for all.

⁷⁶ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42017Y0630\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42017Y0630(01)&from=EN).

The support covered several areas of rule of law and paid special attention to gender-sensitive issues. It contributed to:

- revising laws and policies to ensure inclusion of gender equality and protection of women’s rights;
- advancing women’s legal rights by introducing gender-responsive legal aid services into the framework of the national legal aid policy to ensure women’s full access to justice in both criminal and civil cases;
- increasing capacity of legal staff (judges, prosecutors and defenders) in addressing cases of sexual and gender-based violence and violation of women’s socioeconomic rights;
- strengthening capacities of legal aid centres and legal aid NGOs to better counsel women;
- increasing police knowledge on human rights, protection of civilians, access to legal aid and prevention of sexual and gender-based violence.

During its three years of implementation, more than 1 500 women received legal aid in Puntland State.

The EU is running more than 50 bilateral and regional programmes that have a gender perspective in the **Eastern Partnership** region. The bilateral programmes cover a wide range of sectors, with the most common areas of intervention being provision of access to finance and combating violence against women. In addition, several programmes focus on women’s representation, women’s employment, gender stereotypes in education and women in business. The EU is, for instance, supporting women-led SMEs across the Eastern Partnership region. This programme helps to provide access to finance and the know-how needed for business growth. From 2015 to mid-2017, more than EUR 36.3 million was provided to 6 partner banks in the region. More than 570 women have benefited from access to know-how, including through 246 advisory projects in the region.

Mainstreaming of policy priorities: EU RF indicator 3.3

Scores are assigned for the inclusion of gender in the objectives of new EU actions: a score of G2 is awarded where gender is the principal objective, and a score of G1 is given where gender is a significant objective. GAP II (2016–2020) has a target of 85 % of new programmes to be awarded G1 or G2 status by 2020.

3.3 Proportion of EU-funded cooperation and development initiatives promoting gender equality and women’s empowerment ⁽⁷⁷⁾						
2014	2015	2016	2017	2018	2014–2018	Target
31.3 %	51.6 %	58.8 %	65.9 %	68.4 %	54.0 %	85 % of new actions to score G1 or G2 by 2020

⁷⁷ Level 3 of the EU RF focuses on budgetary commitments by the European Commission.

Progress has been made towards achieving the 2020 target, although improvement was at a slower pace in 2018, perhaps because the quick gains were made initially. Difficult sectors, such as environmental protection, urban development and migration, require different approaches to become fully inclusive for women and men. The same is true for complex new aid modalities, such as blending operations and private sector partnerships. The work on preparing new guidance for these new challenges contributes towards achievement of the 2020 target.

2.4.6. SDG 6 Clean water and sanitation

Too many people still lack access to safely managed water supplies and sanitation facilities. Water scarcity, flooding and lack of proper waste water management also hinder social and economic development. Increasing water efficiency and improving water management are critical to balancing the competing and growing water demands from various sectors and users ⁽⁷⁸⁾.

Improved access to water, sanitation and hygiene

EU RF indicator 1.9 Proportion of population using safely managed drinking water services (2015)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
Urban: 85.1 %	46.2 %	–	61.2 %	88.8 %	76.9 %	95.8 %	95.5 %
Rural: 54.8 %	–	–	54.9 %	–	–	–	–
All: 71.2 %	23.7 %	–	57.1 %	–	65.4 %	–	94.2 %

⁷⁸ <https://sustainabledevelopment.un.org/sdg6>.

EU RF indicator 1.10 Proportion of population using safely managed sanitation services (2015)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
Urban: 43.2 %	–	44.7 %	–	50.4 %	26.6 %	63.6 %	87.4 %
Rural: 34.6 %	–	–	28.3 %	41.5 %	–	19.5 %	47.3 %
All: 39.3 %	–	32.8 %	–	55.3 %	22.4 %	50.7 %	77.9 %

EU contributions to development progress in partner countries: EU RF indicator 2.8

723 000 individuals had access to improved drinking water source and/or sanitation facility with EU support

Through a budget support programme, the EU assisted the government of **Bolivia** in the implementation of a national plan for water and sanitation. In 2015 and 2016, important progress was made at policy level: several sector laws, regulations and manuals were issued on water quality and efficiency, waste water and solid waste. In addition, institutional capacity was addressed: the Ministry of Environment and Water information system was upgraded with a regionally established platform. The intervention also enabled the installation of new water connections in peri-urban areas, giving 188 000 individuals access to improved supplies of drinking water.

Under the framework of the EU Asia Investment Facility (AIF), a blending initiative in **Bangladesh** is supporting the government's efforts to reduce the dependency of its fast-growing capital city on rapidly diminishing underground aquifers by shifting to surface and less polluted water sources. Under the same initiative, the EU is facilitating water connection and supply to low-income communities in Dhaka. The project aims to:

- support the efforts of Dhaka's public water and sanitation services provider to extend its services to low-income communities;
- provide training and support to local communities to ensure bill payment and maintenance;
- strengthen the service provider's internal capacity through training programmes for managers and assistance to develop a comprehensive financial model.

The main investment is directed at installation of water supply secondary distribution networks, meters and semi-collective water points in areas of Dhaka. In 2016–2017, the initiative provided access to improved sources of drinking water for 50 000 individuals.

2.4.7. SDG 7 Affordable and clean energy

Access to affordable, reliable and modern energy for all has come one step closer due to recent progress in electrification – particularly in the LDCs – and improvements in industrial energy efficiency. However, national priorities and policy ambitions still need to be addressed to put the world on track to meet the energy targets for 2030 ⁽⁷⁹⁾.

Improved access to energy for all and increased energy efficiency and renewable energy generation

EU RF indicator 1.11 Proportion of population with access to electricity (2016)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
Urban: 97.0 %	76.1 %	98.5 %	98.4 %	99.0 %	99.5 %	98.8 %	100 %
Rural: 76.0 %	22.8 %	85.1 %	80.3 %	94.7 %	91.1 %	46.5 %	100 %
All: 87.4 %	43.0 %	93.4 %	86.7 %	97.2 %	97.8 %	83.2 %	100 %

⁷⁹ <https://sustainabledevelopment.un.org/sdg7>.

EU RF indicator 1.12 Renewable energy share of the total final energy consumption (2015)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
17.5 %	70.2 %	5.4 %	28.4 %	14.1 %	27.6 %	13.5 %	11.9 %

EU contributions to development progress in partner countries: EU RF indicators 2.9 and 2.10

16 853 000 individuals accessing electricity with EU support through new or improved access

7 300 megawatts of renewable energy generation capacity installed with EU support

The EU provided funds to support a national programme for the dissemination and installation of biodigesters in rural and peri-urban areas of **Senegal**. A biodigester is a device that allows bacteria to break down organic waste while, at the same time, producing biogas and a liquid effluent consisting of organic fertiliser of very high quality. The aim of the national programme is to replace fuelwood with biogas for cooking in households located in rural and peri-urban areas of Senegal. As of December 2018, more than 3 000 biodigesters have been installed, able to provide renewable energy to households and schools and biofertilisers to farmers and local producers.

The ‘Renewable energy and energy efficiency’ programme in **Jordan** concentrates on implementation of the renewable energy and energy efficiency national targets as per the National Energy Strategy for 2007–2020. This programme contributes to increasing the contribution of renewable energy in the total energy mix and improving energy efficiency in the public sector. In the last year, 200 megawatts of renewable energy generation capacity was installed and connected to the electricity grid.

2.4.8. SDG 8 Decent work and economic growth

Globally, labour productivity has increased and the unemployment rate has decreased. However, more progress is needed to:

- increase employment opportunities (especially for young people);
- reduce informal employment and labour market inequality (particularly in terms of the gender pay gap);
- promote safe and secure working environments;
- improve access to financial services to ensure sustained and inclusive economic growth ⁽⁸⁰⁾.

Promote an economic transformation that creates decent jobs and increases productive capacity

⁸⁰ <https://sustainabledevelopment.un.org/sdg8>.

EU RF indicator 1.13 Annual growth rate of real GDP per capita (2016)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
1.3 %	-1.6 %	1.2 %	6.0 %	3.8 %	-2.7 %	0.6 %	1.3 %

EU RF indicator 1.14 Proportion of employed population below the international poverty line aged 15+ (2017)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
Total: 9.2 %	36.6 %	5.0 %	13.2 %	4.1 %	3.7 %	3.9 %	0.0 %
Female: 9.4 %	37.8 %	1.9 %	14.2 %	4.2 %	3.8 %	3.9 %	0.0 %
Male: 9.1 %	35.5 %	6.0 %	12.8 %	4.0 %	3.7 %	3.9 %	0.0 %

EU contributions to development progress in partner countries: EU RF indicator 2.11

67 000 jobs were supported or sustained by the EU

In **India**, the 'Going green' project worked towards improving economic competitiveness of the Indian textiles industry and promoted the income and well-being of textile artisans in six districts in the states of Rajasthan and Uttar Pradesh. The intervention had a significant focus on women and generated income opportunities that brought women into prominent roles in their communities. The EU provided support to set up artisan organisations, common interest groups and cooperatives with a view to:

- enabling financial inclusion;
- improving business performance;
- developing a collective voice to negotiate on pro-artisan policies;
- supporting the adoption of eco-friendly processes and technologies at community level.

Textiles artisans and SMEs received training in environment-friendly practices and had access to finance and services (particularly for women) to set up efficient eco-friendly businesses. Among the achievements of this intervention, 1 850 jobs were secured (1 200 for women and 650 for men).

The Deep and Comprehensive Free Trade Areas (DCFTAs) between the EU and **Georgia, Moldova** and **Ukraine** help SMEs to take advantage of trade opportunities. A credit line offered by the EU and the EBRD helps SMEs access finance for investments through local partner financial institutions. Technical assistance is also offered to help businesses better define those investments and improve their international competitiveness. Investments can take a wide range of forms, from upgrading equipment and technologies to introducing new quality, health or safety standards. Among the results achieved by this intervention, 9 000 direct jobs were supported.

Job creation and blending operations

Blending operations can contribute to job creation through large infrastructure projects (i.e. in energy, transport and water sectors) that can generate direct employment during the construction period, facilitating access to finance for MSME creation and growth. For example, the blending operations launched through the Neighbourhood Investment Facility successfully provided 168 loans to SMEs in **Georgia** and **Moldova**, where a total of 9 450 jobs were sustained.

Improved economic governance, business environments, contribute to scaling up private and public investments, including addressing the MSME financing gap

EU RF indicator 1.15 World Bank Doing Business distance to frontier score* (2017)

World	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	Northern America	Sub-Saharan Africa	Southern Asia
61.56	65.30	74.23	58.04	57.42	80.91	50.43	53.64

* The 'distance to frontier' score represents the distance of an economy from best performance observed (the frontier) on the World Bank's Doing Business topics (0 = lowest performance; 100 = frontier).

EU contributions to development progress in partner countries: EU RF indicators 2.12 and 2.13

46 countries were supported by the EU to strengthen investment climate

4 900 firms had access to financial services with EU support

1 163 000 individuals had access to financial services with EU support

The EU supports the efforts of the government in **Nepal** to reduce poverty and to stimulate trade-led economic growth. The EU intervention has a triple focus:

- capacity building of the Ministry of Commerce and related agencies for trade policy formulation and implementation, intra- and inter-ministry coordination, trade negotiations and trade promotion, as well as enhanced links and consultation with the private sector,
- development of a quality infrastructure and improved regulatory framework and food safety system, as well as better test and certification services in the private sector for safer products to consumers,
- development of value chains to increase production, employment, productivity and exports of agriproducts, particularly coffee.

In **Rwanda** large parts of the population rely on the informal economy for their livelihoods, and women and young people especially are excluded from reasonably paid formal employment. The programme on youth employability in the informal sector contributed to the elimination of youth poverty (among those aged 16–30) by:

- increasing their technical, financial and entrepreneurial skills;
- ensuring their access to information and financial and business services;
- facilitating their collaboration in voluntary savings and loans associations, cooperatives and trade unions;
- enabling them to take steps towards the regularisation or formalisation of their activities.

The intervention provided technical training (tailoring, arts and crafts, agriculture production) and coaching on cooperative formation and management. Two thousand young people had access to financial services (microfinance institutions, mobile financial services) with EU support.

The ‘Women in business’ programme helps women-led SMEs to access the finance and the know-how they need to grow. The programme combines credit lines with a first-loss risk cover and technical assistance with business advisory consulting and coaching. The current EU contribution of EUR 4.8 million leverages a total investment of EUR 54.3 million. Projects in **Armenia**, **Azerbaijan** and **Moldova** provide tailored support to SMEs in rural regions, while in **Georgia** a project targets civil society engagement in implementation of the DCFTA. The intervention is designed to promote and support women’s entrepreneurship and, more broadly, women’s participation in business in the Eastern Partnership countries by facilitating access to finance as well as non-financial business development services. In the period 2016–2017, more than 2 300 women-led SMEs received loans (total value EUR 21.6 million).

Mainstreaming of policy priorities: EU RF indicator 3.5

3.5 Amount of the EU-funded international cooperation and development assistance contributing to strengthening investment climate (EUR)		Target
2018		
1. Investment climate – support to the six drivers: business environment, political stability, macroeconomic stability, governance/rule of law, human development and innovation		No target
Commitment	4.7 billion	
Payment	3.4 billion	
2. Investment climate – support to key driver: business environment		
Commitment	1.8 billion	
Payment	1.1 billion	

Investment climate covers a wide range of factors that determine whether an investment is likely to happen in EU partner countries. The term investment climate is used as a broad concept to be understood from the perspective of a prospective investor.

Promote trade and regional integration

EU RF indicator 1.16 Export of goods and services as a percentage of GDP (2016)

World	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	Northern America	Sub-Saharan Africa	Southern Asia
28.5 %	28.3 %	41.7 %	21.4 %	37.8 %	13.6 %	23.9 %	18.1 %

EU contributions to development progress in partner countries: EU RF indicator 2.14

64 quality schemes were adopted by economic operators with EU support

Coffee cultivation started in **Nepal** in the late 1970s but has experienced considerable growth with expanding internal and international markets: production is now 30 times greater than in 2008. The EU assisted the National Tea and Coffee Development Board in drawing up a five-year strategic plan to improve productivity, quality, marketing and exports. The EU also contributed to setting out standard requirements for organic green coffee (Arabica) – from farming the product and standardising the production process to handling and packaging the beans – that were approved by

the Nepal Bureau of Standards and Metrology. The standard follows the principles of organic production and processing of green coffee and is benchmarked against existing international standards, including Global Gap, National Association for Sustainable Agriculture Australia, Certified Organic, Fairtrade, EU Organic Farming and others.

Mainstreaming of policy priorities: EU RF indicators 3.6, 3.7 and 3.8

An important milestone in the implementation of the EIP was reached in 2018, with the entire guarantee fully allocated.

For the projects approved in 2018, EU grants and guarantees are expected to mobilise around 11 times more in private and other public investments into green growth and decent jobs, empowering local businesses, developing liveable and sustainable cities and infrastructure, empowering women and youth and protecting the environment. For each euro granted by the EU, the financial institutions concerned will invest approximately EUR 4, and the mobilisation of private financing will leverage over EUR 5. Expanding the use of innovative financial instruments, such as the EFSD guarantee, multiplies the private financing that can be mobilised for development objectives.

3.6 Leverage of EU blending and guarantee operations financed by the EU international cooperation and development assistance								
		2014	2015	2016	2017	2018	2018*	Target
a) Investment leverage ratio	Blending	15.5	14.1	9.4	11.7	9.55	11.1	No target
	Guarantees	–	–	–	–	12.1		
b) Total eligible financial institution financing leverage ratio	Blending	9.2	9.5	3.7	7.6	4.8	4.2	
	Guarantees	–	–	–	–	3.62		
c) Private financing leverage ratio	Blending	2.3	2.2	0.7	0.9	2.46	5.4	
	Guarantees	–	–	–	–	7.39		

* Leverage indicator combining blending and guarantees (for instruments managed by the European Commission).

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 (2014–2019), primarily through regular EU aid channels. Starting from the signature of the agreement, this amounts to EUR 400 million over five years, or over one third of developing countries' estimated needs. The amounts committed and payments made up to 2018 are shown below (indicator 3.7) along with the proportion contributing to aid for trade directed at the LDCs (indicator 3.8).

3.7 Amount of EU-funded international cooperation and development assistance contributing to trade facilitation (EUR) ⁽⁸¹⁾

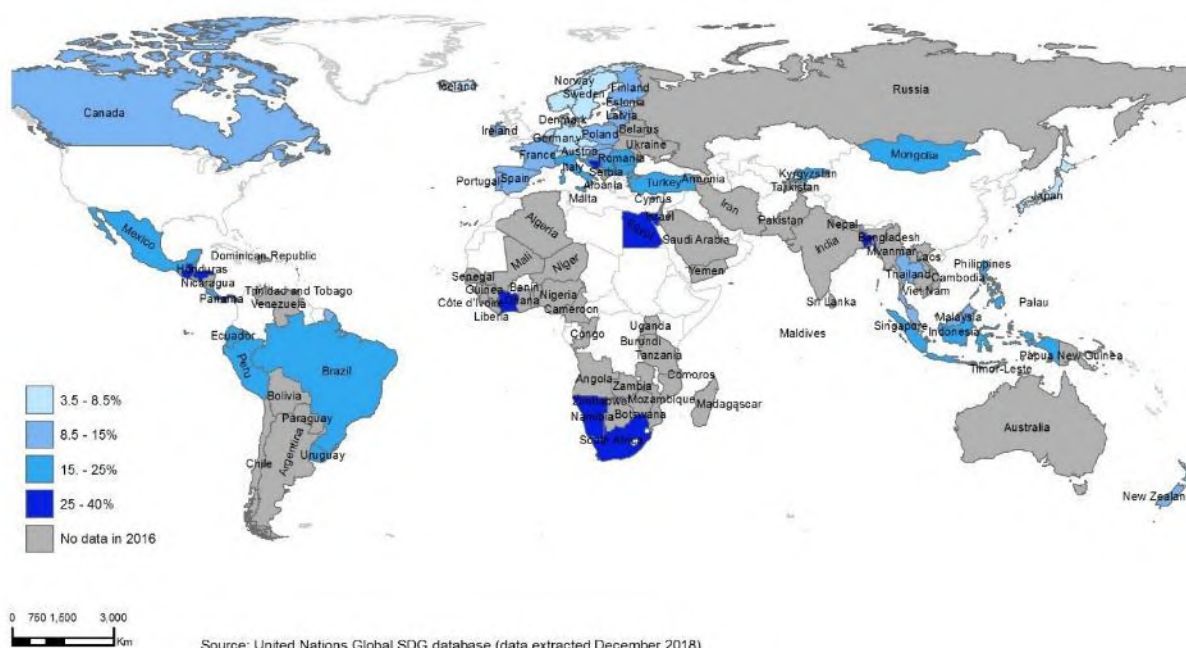
	2014	2015	2016	2017	2018	2014–2018	Target
Commitment	9.6 million	1.3 million	57.0 million	96.2 million	40.1 million	204.2 million	Maintain the current level of commitment
Payment	73 million	33.6 million	39.4 million	10.2 million	54.2 million	210.1 million	

3.8 Proportion of EU-funded international cooperation and development assistance contributing to aid for trade directed at the LDCs

2018	Target
36.1 %	No target

Meet the specific needs of youth, particularly young women and girls, by increasing quality employment and entrepreneurship opportunities

EU RF indicator 1.17 Proportion of youth (aged 15–24 years) not in education, employment or training (2016)



⁸¹ This corresponds to interventions using the DAC Purpose Code 33120, not including broader interventions, encoded under different DAC Purpose Codes, which comprise trade facilitation components.

EU contributions to development progress in partner countries: EU RF indicator 2.15

138 000 people have benefited from institution- or workplace-based VET/skills development interventions supported by the EU

The EU has supported young people in **Syria** by promoting equitable access to quality learning for vulnerable children and adolescents who are internally displaced or are out of school. With the support of the EU, a total of 13 000 young people benefited from institution- or workplace-based VET/skills development interventions, and more than 1 000 young people were supported with seed funding to implement their social and business entrepreneurship projects in Damascus and Rural Damascus.

In **India**, the EU financed the ‘Increasing equitable access to livelihoods and employment for people with disabilities’ programme. This initiative applied a targeted approach and assessed the needs and skill sets of identified persons with disabilities on a one-to-one basis. Regular counselling was provided to persons with disabilities and parents lacking confidence in their abilities to guide their children in relation to available employment or livelihood opportunities. Sign language interpreters and/or translators were arranged at all stages, especially during needs assessment, training periods, job interviews and round table meetings with local banks and finance institutions. Persons with disabilities were supported with referral services, assistive devices/technologies, seed money and self-employment kits. The training providers and job providers were sensitised through training on disability equality, accessibility and inclusion. During the first two years of implementation, more than 3 500 persons with disabilities (1 300 women and 2 200 men) successfully completed vocational training. Of those trained, a total of 2 400 persons with disabilities (74 %) were supported with placements and obtained wage employment (1 270 men and 460 women) or undertook self-employment (390 men and 280 women).

2.4.9. SDG 9 Industry, innovation and infrastructure

Steady progress has been made in the manufacturing industry. To achieve inclusive and sustainable industrialisation, competitive economic forces need to be unleashed to generate employment and income, facilitate international trade and enable the efficient use of resources ⁽⁸²⁾.

Support the development of sustainable, low-emission, interconnected and secure mobility and transport networks

EU RF indicator 1.18 Passenger and freight volumes on roads (*tonne-kilometres, billions*) (2016)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
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⁸² <https://sustainabledevelopment.un.org/sdg9>.

Freight: 21 079	379	1 272	2 629	7 983	1 554	246	7 017
Passenger: 46 730	942	2 648	17 557	8 191	5 267	356	11 770

EU contributions to development progress in partner countries: EU RF indicator 2.16

22 000 km of road was supported by the EU through construction, rehabilitation and maintenance

According to the World Bank ⁽⁸³⁾, the total road network in **Mali** is 22 000 km long, comprises mostly earth roads and is used most by trucks. The EU has contributed to maintenance of more than 12 000 km of roads in the country (4 600 km paved, 8 000 km dirt). During four years of support, more than 1 600 jobs were created.

2.4.10. SDG 10 Reduced inequalities

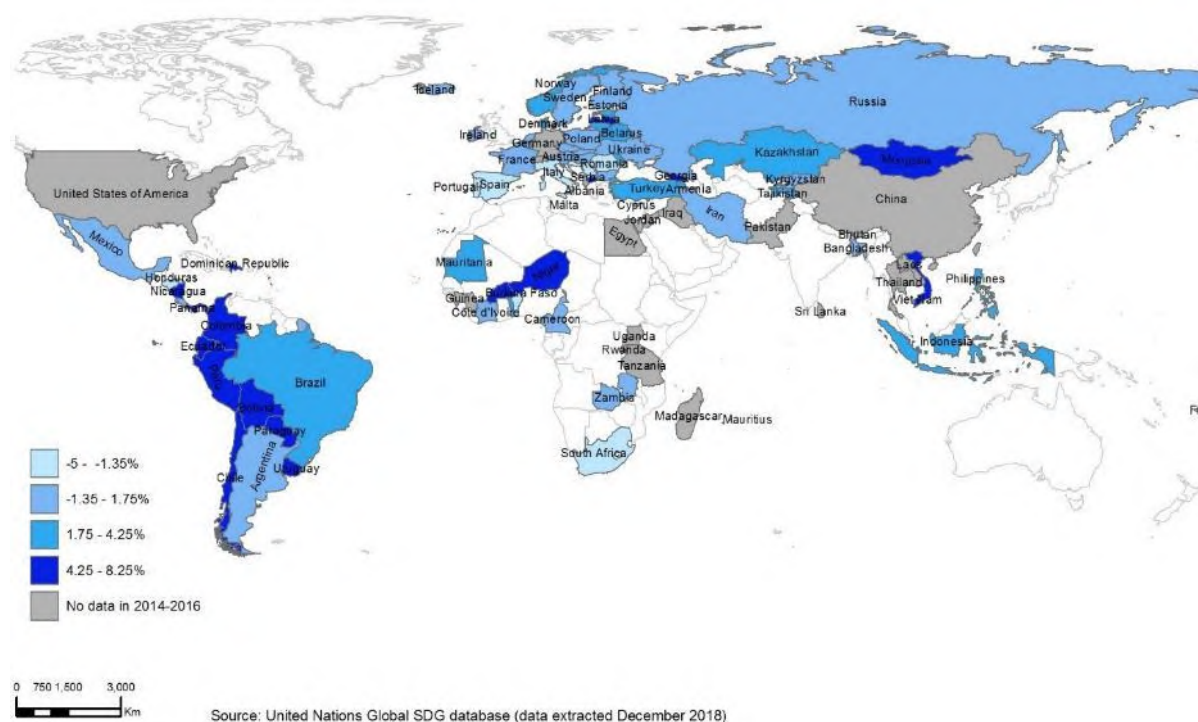
Efforts have been made in some countries to reduce income inequality, to increase zero-tariff access for exports from the LDCs and developing countries and to provide additional assistance to the LDCs and SIDS. However, progress will need to accelerate to address growing disparities within and between countries ⁽⁸⁴⁾.

Reduce inequality of outcomes and promote equal opportunities for all

EU RF indicator 1.19 Growth rates of household expenditure or income per capita among the bottom 40 % of the population (2014–2016)

⁸³ <https://datacatalog.worldbank.org/dataset/mali-roads>.

⁸⁴ <https://sustainabledevelopment.un.org/sdg10>.



EU contributions to development progress in partner countries: EU RF indicator 2.17

1.5 million migrants, forcibly displaced people or individuals from host communities were protected or assisted with EU support – including 100 000 supported through EUTF for Africa projects

In partnership with Unesco, the EU implemented a project to guarantee ‘Access to quality inclusive primary and secondary education for refugees and IDPs in conflict affected areas of **Iraq**’. The intervention is making big efforts to build positive relations with government and non-government stakeholders and to enhance interaction with both the Ministry of Education in the Kurdistan Region of Iraq and the Ministry of Education of the Federal Government. Schools in project focus areas are struggling to provide an appropriate context for learning. School buildings are generally in poor condition and require renovation. This particularly applies to schools in areas where there has been active conflict, which may have been targeted or used by armed groups. In addition, many schools experience teacher shortages, especially qualified Syrian refugee teachers. The implementation partners identified 50 focus schools and provided support to more than 26 000 refugees, IDPs and returnees in refugee camps and host communities. A wide range of activities was implemented to support education. To support student enrolment, there have been back-to-school awareness activities, school-based events and engagement with traditional and political community leaders, students and families. In addition, schools have been restored and furniture has been provided. Water, sanitation and hygiene facilities have been improved, learning materials and textbooks have been provided and 290 teachers have been trained in learner-centred pedagogy, teaching in crisis contexts and psychosocial support for children who have experienced traumatic events.

In the framework of a broader programme on improving labour migration management and governance in **Ethiopia**, the EU and ILO supported the Ethiopian government in its efforts to

efficiently and effectively assist returned migrant workers to access productive employment and decent work. The intervention focused on individualised and rights-based reintegration assistance to returnees, with a focus on vulnerable local communities (unemployed youth, people with disability, women in vulnerable situations). In addition, the intervention helped service providers offer efficient services to returnees and strengthen the country's system for reintegration. Returnees were accompanied through short-term vocational skills development activities to enable them to identify their areas of interest and viable business fields in their locality. The ILO, in close collaboration with regional technical and vocational education and training (TVET) colleges, provided standardised technical skills training to prepare returnees to establish sustainable livelihoods in different fields, including:

- poultry farming
- beekeeping
- animal husbandry
- dairy production
- metalwork
- block production/construction
- food preparation
- horticulture
- furniture making and garment production.

In addition, training was provided for those training future returnees in entrepreneurship and motivational skills. During three years of implementation, the intervention reached more than 13 000 returnees and members of vulnerable local communities.

Step up efforts to mitigate the impact of forced displacement and to promote the better management of migration in partner countries in all its aspects

EU RF indicator 1.20 Number of refugees and asylum seekers of concern to the United Nations High Commissioner for Refugees (UNHCR) by situation (mid-2018)

World	Asia (excl. Middle East)	Oceania	Latin America and the Caribbean	Middle East and North Africa	Northern America	Sub-Saharan Africa	Europe (with Turkey)
Total refugees*: 18 474 000	3 536 000	58 000	324 000	2 710 000	381 000	5 722 000	5 743 000
Asylum seekers: 2 955 000	108 000	36 000	118 000	219 000	725 000	494 000	1 255 000

*Total includes refugees and those in refugee-like situations.

EU contributions to development progress in partner countries: EU RF indicator 2.18

24 migration management or forced displacement strategies or policies were developed or revised with EU support

19 migration management or forced displacement strategies or policies were under implementation with EU support

The Regional Development and Protection Programme (RDPP) for Syrian refugees and host communities in **Iraq, Jordan and Lebanon** was a multi-contributor initiative led by the EU and implemented between July 2014 and September 2018. Through a partnership approach, supporting host governments, civil society, NGOs and UN agencies, the initiative combined development and humanitarian approaches to provide longer-term solutions for refugees and host communities in Iraq, Jordan and Lebanon. The RDPP succeeded in establishing an evidence base on the impact of hosting refugees, the effect of displacement on living conditions and interlinkage between protection and livelihoods. The programme contributed to improving the capacity of local actors to uphold and protect the rights of vulnerable populations, especially in relation to sexual and gender-based violence and child labour issues. The RDPP also helped refugees and host community members prepare to enter the labour market, through various methodologies. Lastly, the advocacy efforts of RDPP partners contributed to some positive policy changes in Jordan and Lebanon.

In collaboration with the United Nations Office on Drugs and Crime, the EU is supporting the 'Global action to prevent and address trafficking in persons and the smuggling of migrants' in 13 countries across **Africa, Asia, eastern Europe and Latin America**. So far, the initiative has assisted seven

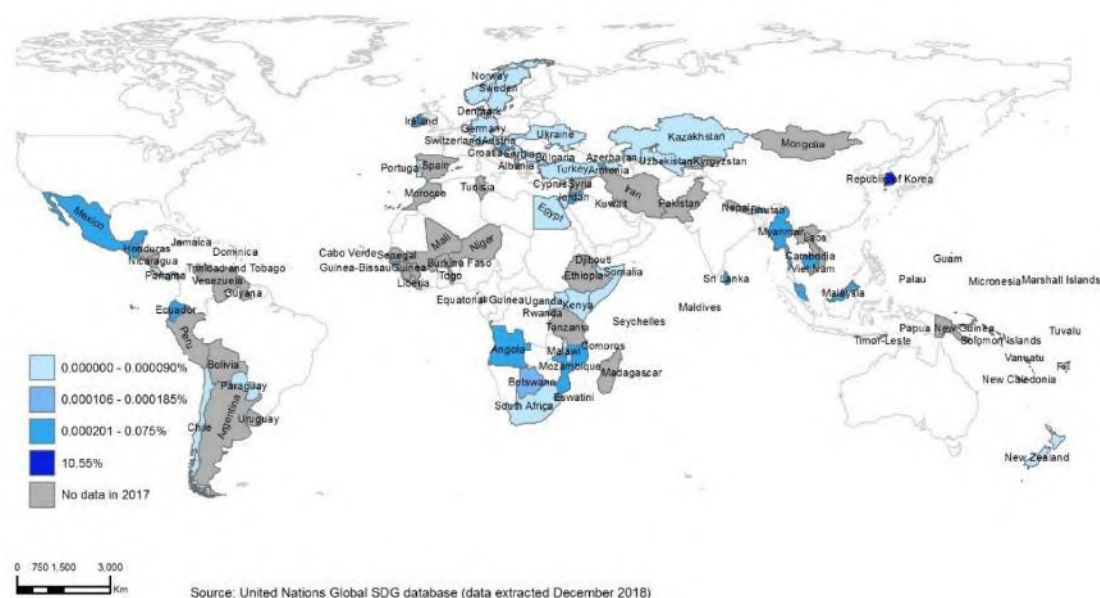
countries to develop, amend or implement legislation on trafficking in persons and smuggling of migrants.

2.4.11. SDG 11 Sustainable cities and communities

Many cities around the world are facing acute challenges in managing rapid urbanisation. These include ensuring adequate housing and infrastructure to support growing populations, confronting the environmental impact of urban sprawl and reducing vulnerability to disasters ⁽⁸⁵⁾.

Build cities' resilience to shocks and harness opportunities for low-emission and climate-resilient economies

EU RF indicator 1.21 Direct economic loss in relation to global GDP, damage to critical infrastructure and number of disruptions to basic services, attributed to disasters



The map shows direct economic loss in relation to global GDP only.

EU contributions to development progress in partner countries: EU RF indicator 2.19

91 countries and cities developed/implemented climate change and/or disaster risk reduction strategies with EU support

A budget support programme in **Bolivia** supported efforts to build institutional capacity for enhancing resilience to climate change at local and municipal levels. Comprehensive diagnostics of climate change situations were funded in the 35 targeted municipalities, and climate change adaptation plans were developed. In addition, six municipalities established 'Municipal Units for Risk Management' (*Unidad Municipal de Gestión de Riesgos*) which, as of December 2018, are fully

⁸⁵ <https://sustainabledevelopment.un.org/sdg11>.

operational. The institutionalisation of these units is the first step towards implementation of a comprehensive climate change strategy at municipal level.

In the north of **Lebanon**, the EU helped local authorities in selected municipalities to integrate energy efficiency within strategic development and planning and adopt policies to set MEPS for the construction sector. Another objective of the intervention was to empower local authorities in one of the poorest and most underserved areas in Lebanon to improve their annual energy expenditures and help them design and implement innovative strategies for energy saving both in public buildings and at the household level. As an example of the measures adopted, energy-saving lighting installed in the targeted municipalities achieved a 15 % reduction on local authorities' annual budgets.

2.4.12. SDG 12 Responsible consumption and production

Decoupling economic growth from resource use is one of the most critical and complex challenges facing humanity today. Doing so effectively will require policies that create a conducive environment for such change, appropriate social and physical infrastructure and markets, and a profound transformation of business practices along global value chains ⁽⁸⁶⁾.

Promote resource efficiency and SCP

EU RF indicator 1.22 Domestic material consumption per capita (*tonnes*) (2017) and domestic material consumption by GDP (*kg per constant 2010 USD*) (2016)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
Per capita: 11.67906	4.07999	11.42825	5.76382	18.60690	10.56362	28.01260	15.20531
By GDP: 1.11821	2.50204	1.34036	2.84341	2.06498	1.14701	0.65573	0.42223

EU contributions to development progress in partner countries: EU RF indicator 2.20

6 500 MSMEs applied SCP practices with EU support

With the regional intervention 'AL-Invest 5.0', the EU aims to boost the competitiveness of MSMEs in **Latin America**, the private sector being both beneficiary and implementing partner. Implemented in 18 countries and involving more than 110 business intermediary organisations from Europe and Latin America, AL-Invest 5.0 is the fifth phase (2015–2020) of the flagship programme AL-Invest in support of PSD in the region. Previous phases have promoted the internationalisation of thousands of Latin American MSMEs. The initiative helps companies to strengthen their internal organisational capacity and adopt a culture of continuous improvement and innovation, promoting processes of

⁸⁶ <https://sustainabledevelopment.un.org/sdg12>.

integration, social inclusion, decent employment opportunities, gender entrepreneurship and equality of interest. Encouraging association as a means of inclusion, it has set up a platform to allow better coordination and exchange of experiences and best practices. So far, more than 29 000 MSMEs have benefited from this intervention, and among the many activities carried out, AL-Invest 5.0 also made particular efforts to support companies to incorporate good environmental management (e.g. waste and water management, reduction of carbon footprint, energy efficiency, cleaner production). Since its inception, the intervention has trained and coached staff at more than 3 900 MSMEs, of which 500 have implemented SCP practices. AL-Invest is contributing to the creation of a network of Latin American and European MSMEs and intermediary organisations to ensure the continuation of joint working towards sustainable and inclusive economic growth.

2.4.13. SDG 13 Climate action

With global average surface temperature at 1.1 °C above the pre-industrial period, 2017 was one of the three warmest years on record. Analysis by the World Meteorological Organization shows that the five-year average global temperature from 2013 to 2017 was also the highest on record. The world continues to experience rising sea levels, extreme weather conditions and increasing concentrations of greenhouse gases. This calls for urgent and accelerated action by countries as they implement their commitments to the Paris Agreement on climate change ⁽⁸⁷⁾.

Implement the 2030 Agenda and the Paris Agreement on climate change through coordinated and coherent actions that promote resilience, reduce climate risk and contribute to reducing greenhouse gas emissions

EU RF indicator 1.23 CO₂ emissions per unit of value added (*kg of CO₂ per constant 2010 USD*) (2016)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
0.3	0.2	0.26	0.28	0.37	0.19	0.33	0.25

EU contributions to development progress in partner countries: EU RF indicator 2.21

18 376 000 tonnes of CO₂e greenhouse gas emissions avoided with EU support

In **China**, the EU supported the national Strategy on green development through the intervention ‘Scaling up energy efficiency and cleaner production in small and medium-sized enterprises through integrated solutions and green credit’. The objective was to help SMEs in Shaanxi region achieve significant pollutant discharge reduction, energy saving and mitigation of carbon emissions by improving their capacity to access green credit and to implement high- and medium-cost energy efficiency and clean production measures. Staff at more than 560 SMEs were trained in energy

⁸⁷ <https://sustainabledevelopment.un.org/sdg13>.

efficiency and clean production, and 20 financial institutions received training on green credit and risk management concerning SMEs. The intervention succeeded in building a network of local policymakers, SMEs, financial institutions and service providers that will bring long-term benefits to all stakeholders. The intervention contributed by helping produce a reduction of 682 000 tonnes of annual CO₂e emissions.

In **Ethiopia**, the EU is funding the national biogas initiative – the ‘Biogas dissemination scale-up programme’ – aimed at improving the living standards of rural Ethiopians and promoting the use of clean and renewable biogas. This action supports government efforts to emphasise the role of renewable energy in the socioeconomic development and transformation of the country through the provision of a sustainable, reliable, affordable and quality energy service for productive sectors and citizens. As of December 2018, about 88 % of the energy used by Ethiopian households is provided by biomass, mostly wood fuel and agricultural residues for cooking. Further, the country has the most cattle in the African continent, representing huge potential for biomass production and exploitation. Therefore, scaling up the transition to biogas as a renewable and clean energy option – especially for rural areas and small towns – is a key government goal and an economic opportunity for the private sector to seize. In the first year of implementation, the intervention installed 1 100 biogasifiers that contributed to 3 300 tonnes of annual CO₂e emission reduced.

Blending facilities in climate action

The majority of EU blending projects are in the energy and transport sectors, where climate change adaptation is mainstreamed. A specific climate change window is set up to attract more public and private financing for low-carbon and climate-resilient investments. Blending operations can support energy efficiency projects, as well as small-scale renewable energy investments, by providing loans to financial institutions and helping financial intermediaries improve their capacity to appraise and finance projects related to energy efficiency and renewable energy.

2.4.14. SDG 14 Life below water

Advancing the sustainable use and conservation of the oceans continues to require effective strategies and management to combat the adverse effects of overfishing, growing ocean acidification and worsening coastal eutrophication. Expansion of protected areas for marine biodiversity, intensification of research capacity and increases in ocean science funding remain critically important to the preservation of marine resources ⁽⁸⁸⁾.

⁸⁸ <https://sustainabledevelopment.un.org/sdg14>.

Promote the protection and restoration of marine ecosystems and the sustainable management of ocean resources

EU RF indicator 1.24 Coverage of protected areas in relation to marine areas (2017)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
15.9 %	19.2 %	1.2 %	0.4 %	3.6 %	13.1 %	–	13.7 %

EU contributions to development progress in partner countries: EU RF indicator 2.22

2 700 km² marine areas were under protection with EU support

In the **Caribbean**, the EU is supporting civil society and micro and small enterprises to conserve marine and coastal biodiversity while developing sustainable and resilient livelihoods. The intervention ‘Powering innovations in civil society and enterprises for sustainability in the Caribbean’ focuses on five interlinked components:

- capacity building of civil society,
- documenting cases of innovation,
- a regional innovation programme for biodiversity conservation and resilience,
- developing and strengthening SMEs through capacity building and mentoring to sustainably use marine and coastal resources to deliver economic, environmental and social co-benefits, as well as to ‘climate-proof’ enterprises,
- a strategy for advocacy, strengthening the voice of civil society at local, national and/or regional levels to ensure better decision-making in governance and management of marine and coastal resources.

Having started in 2017, the intervention now provides support to six Marine Protected Areas and marine managed areas in **Antigua and Barbuda, Grenada, Haiti, Jamaica, Saint Lucia and Saint Vincent and the Grenadines**.

2.4.15. SDG 15 Life on land

Protection of forest and terrestrial ecosystems is on the rise, and forest loss has slowed. That said, other facets of terrestrial conservation continue to demand accelerated action to protect biodiversity, land productivity and genetic resources and to curtail the loss of species ⁽⁸⁹⁾.

⁸⁹ <https://sustainabledevelopment.un.org/sdg15>.

Support the conservation and sustainable management and use of natural resources, biodiversity and ecosystems

EU RF indicator 1.25 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected area (2018)

World	Sub-Saharan Africa	Northern Africa and western Asia	Central and southern Asia	Eastern and south-eastern Asia	Latin America and the Caribbean	Oceania	Europe and northern America
Terrestrial: 46.7 %	42.0 %	21.8 %	29.0 %	43.0 %	39.1 %	36.6 %	62.9 %
Freshwater: 43.5 %	45.6 %	18.7 %	21.9 %	37.9 %	39.9 %	31.4 %	55.2 %

EU contributions to development progress in partner countries: EU RF indicator 2.23

6 936 000 hectares of terrestrial and freshwater ecosystems were under protection with EU support
155 000 hectares of terrestrial and freshwater ecosystems were under sustainable management with EU support

In **Tanzania**, the EU worked with the Belgian Development Agency on wetland management and institutional strengthening of the Tanzania Wildlife Management Authority. The intervention succeeded in introducing sustainable management practices over an area of 135 000 hectares. It also helped to establish two wildlife management areas and five village-based forest reserves.

In **Cambodia**, the EU worked with local NGOs on fisheries resources to improve the livelihoods of fishers and communities in Mekong and Tonlé Sap. The intervention established platforms for regular dialogue between fishing communities and NGOs to increase the impact of advocacy and law enforcement in the fisheries sector. By working with local communities, NGOs identified some important lessons learned.

- Good cooperation with competent national and subnational authorities and expert officials is beneficial for intervention success.
- The participation of network members and communities in management of fisheries resources is key to creating ownership and improving sustainability.
- The development of alternative livelihoods, through the provision of small grants and establishment and strengthening of self-help groups, helps mitigate pressure on fisheries resources.

The intervention also established two fish conservation areas with a total size of 160 hectares.

Mainstreaming of policy priorities: EU RF indicator 3.4

The EU has made the commitment to step up its contribution to averting global biodiversity loss by 2020 (as part of the EU Strategic Plan for Biodiversity 2011–2020). The 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 (2014–2020).

3.4 Amount and share of the EU-funded international cooperation and development assistance contributing to: a) protecting biodiversity, b) climate change (adaptation and mitigation), c) combating desertification and d) protecting the environment (Aid to Environment)

The figures below show the share of EU-funded international cooperation and development assistance.

	2014	2015	2016	2017	2018	2014–2018	Target
a) protecting biodiversity	2.5 %	4.3 %	3.6 %	7.7 %	6.9 %	5.2 %	DCI Regulation commitment to contribute to the objective of addressing at least 20 % of the EU budget to a low-carbon and climate-resilient society (2014–2020)
b) climate change (adaptation and mitigation)	11.4 %	12.6 %	24.1 %	24.7 %	24.0 %	20.3 %	
c) combating desertification ⁽⁹⁰⁾	–	–	–	–	4.1 %	4.1 %	
d) protecting the environment (Aid to Environment) ⁽⁹¹⁾	–	–	–	–	29.0 %	29.0 %	

2.4.16. SDG 16 Peace, justice and strong institutions

Many regions of the world continue to suffer untold horrors as a result of armed conflict or other forms of violence that occur within societies and at the domestic level. Advances in promoting the rule of law and access to justice are uneven. However, progress is being made in terms of regulations to promote public access to information, albeit slowly, and in strengthening institutions upholding human rights at the national level ⁽⁹²⁾.

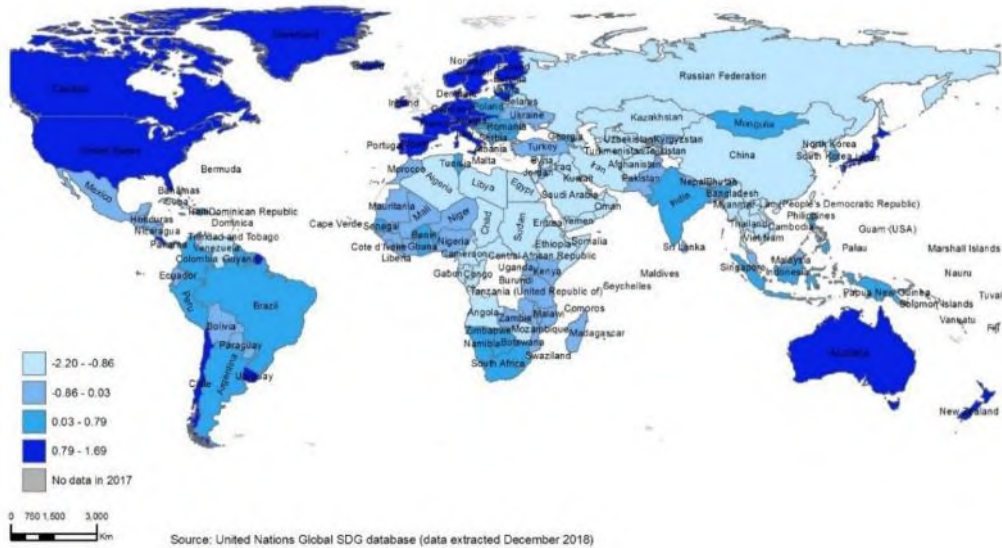
⁹⁰ Disaggregation according to combating desertification was introduced in the 2018 revision of the EU RF.

⁹¹ Disaggregation by Aid to Environment was introduced in the 2018 revision of the EU RF.

⁹² <https://sustainabledevelopment.un.org/sdg16>.

Support accountable and transparent institutions, inclusive, transparent and credible elections and a pluralist democratic system

EU RF indicator 1.26 Voice and Accountability score (as measured by the World Bank Worldwide Governance Indicators)



EU RF indicator 1.27 Government Effectiveness score (as measured by the World Bank Worldwide Governance Indicators)



EU contributions to development progress in partner countries: EU RF indicator 2.24

22 countries were supported by the EU to conduct elections and/or improve their electoral process

In **Zambia**, the EU supported the implementation of elections held on 11 August 2016. Actions were taken to improve, systematise and professionally engage Zambian CSOs in civic and voter education and domestic observation, with the aim of supporting independent election results and increasing women’s representation in elected positions at national and local levels. Communication and public outreach campaigns played a key role in this election.

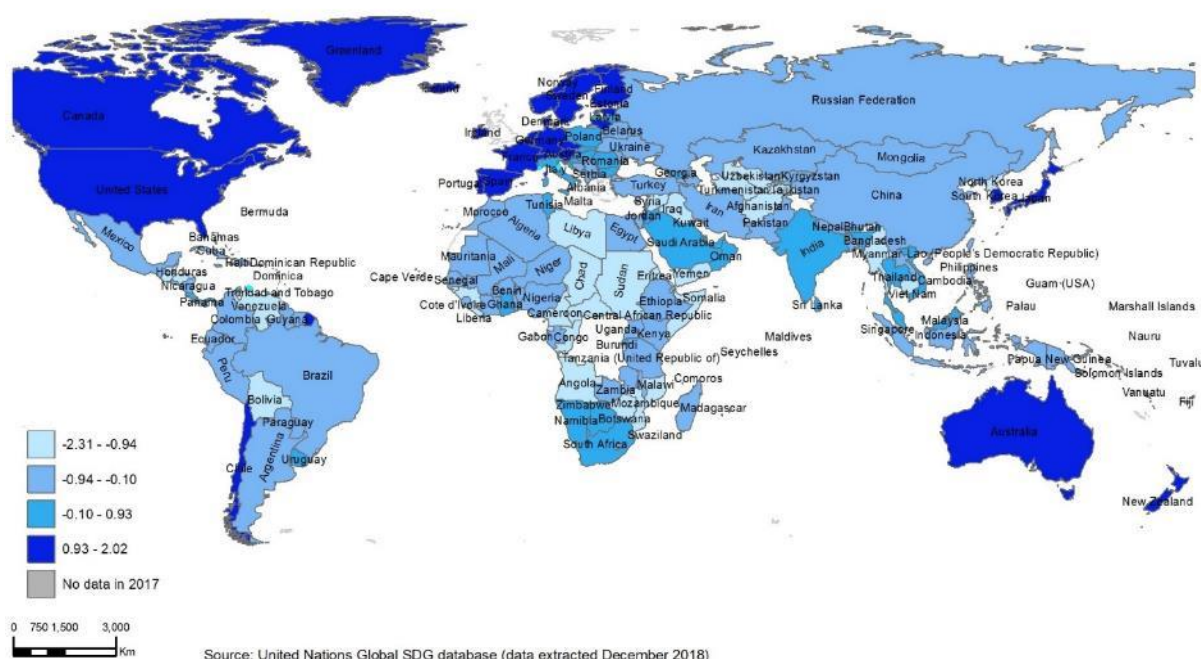
EU contributions to development progress in partner countries: EU RF indicator 2.26

42 000 victims of human rights violations directly benefited from assistance funded by the EU

The registration of birth is fundamental to the realisation of a number of rights and practical needs. In the region of Nugal in Puntland, **Somalia**, obtaining a birth certificate is hampered by poor registration services. Without a certificate, an individual may be denied access to crucial government services in adulthood. Possession of birth certificates can ease access for marginalised children to education, health and other social services. As at the end of 2018, the EU has supported inclusion and protection for marginalised individuals by providing 5 500 children with a birth certificate.

Support provision of fair justice, including access to legal assistance

EU RF indicator 1.29 Rule of Law score (as measured by the World Bank Worldwide Governance Indicators) (2017)



EU contributions to development progress in partner countries: EU RF indicator 2.27

168 000 people directly benefited from legal aid interventions supported by the EU

In **Gambia**, a civic awareness campaign has been implemented to inform the public on civil rights and access to conflict resolution/dispute settlement mechanisms. These mechanisms include justice-related services provided by courts, customary dispute resolution resources, administrative agencies and NGOs. In order to reach as many people as possible across a large number of communities, awareness-raising activities included:

- face-to-face meetings with village communities,
- plays performed in local languages,

- live music performances,
- participation in local radio talk shows,
- training sessions on law enforcement,
- programmes to promote the rights of women and children.

There was even a nationwide football tournament with ‘Access to justice is your right’ as its theme, officiated by the Gambia Football Federation; this drew thousands of young spectators. Merchandise such as caps and T-shirts also played an important role in raising visibility of the campaign. In total, with the support of the EU, the civic awareness campaign reached 32 000 people (19 000 men and 13 000 women).

Improved human security and democratic governance of the security sector, paying special attention to countries in situation of fragility or affected by conflict

EU RF indicator 1.30 Number of victims of intentional homicide per 100 000 population (2015)



EU contributions to development progress in partner countries: EU RF indicator 2.28

285 000 individuals directly benefited from EU-supported interventions that specifically aim to support civilian post-conflict peacebuilding and/or conflict prevention

The EU is assisting **Lebanon** in its effort to implement a mine action strategy to reduce the threat of cluster munitions and increase access to cleared land. The aims are to support the handover of cleared areas to local populations and to prioritise socioeconomic development in south Lebanon.

Socioeconomic development is hindered by the presence, as a result of past conflicts, of minefields and contamination by cluster bombs and other dangerous objects. This restricts access to land and productive resources and prevents the construction of services, such as schools, parks and other infrastructures that could benefit local communities. In addition, land contamination causes direct and indirect damage to valuable agricultural land in an area where land use is crucial for livelihoods. As of 2018, cleared land has been used for economic activities (e.g. agriculture) rather than social activities. More than 32 000 individuals have benefited from the improvement of safety conditions: 600 individuals (300 men and 300 women) are direct beneficiaries, and 31 400 individuals are indirect beneficiaries.

Investing in young people and strengthening youth engagement can be an important force in tackling the rise of violent extremism. In order to target the root causes of the radicalisation of young people from **Jordanian** and **Syrian** refugee communities, the EU supported skills development for young people through basic life skills training in the northern and southern parts of Jordan. Young people received greater exposure to the labour market and improved their ability to network, communicate and debate. Through 40 professional skills training sessions, 5 500 young men and women were provided support and capacity building in the governorates of East Amman, Irbid, Maan, Mafraq and Zarqa.

EU contributions to development progress in partner countries: EU RF indicator 2.29

<p>2 300 state institutions and non-state actors were supported on security, border management, countering violent extremism, conflict prevention, protection of civilian population and human rights – including 710 supported through EUTF for Africa projects</p>
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Persons living in extreme poverty and with vulnerabilities (including disability, HIV/AIDs and illiteracy) often do not benefit from economic and democratic development in the countries where they live. In this context, an intervention in **Mozambique** aimed at improving resilience and inclusion and reducing poverty among marginalised groups, in particular women and men with disabilities. This supported CSOs, including those serving disabled persons, to contribute to the effective implementation of the national Strategy on basic social security (covering health, education and productive social action programmes) and to develop other drivers of resilience by empowering individuals and their representative organisations to become agents of change. In this regard, the EU supported 16 CSOs in their engagement with authorities and service providers to develop resilience of marginalised groups and improve their access to social protection services.

Mainstreaming of policy priorities: EU RF indicator 3.9

3.9 Amount of EU-funded international cooperation and development assistance directed at fragile states (billion EUR)							
	2014	2015	2016	2017	2018	2014–2018	Target
Commitment	1.424	2.831	4.970	3.879	2.977	16.082	No target
Payment	2.495	2.274	3.208	3.494	3.330	14.802	No target

2.4.17. SDG 17 Partnerships for the goals

SDG 17 seeks to strengthen global partnerships to support and achieve the ambitious targets of the 2030 Agenda, bringing together national governments, the international community, civil society, the private sector and other actors. Despite advances in certain areas, more needs to be done to accelerate progress. All stakeholders will have to refocus and intensify their efforts in areas where progress has been slow⁽⁹³⁾.

Strengthened domestic and other revenue mobilisation, public expenditure management and increased efficiency and effectiveness of public expenditure in partner countries⁽⁹⁴⁾**EU contributions to development progress in partner countries: EU RF indicator 2.30**

98 countries were supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency

Since its approval in August 2018, the National Development Plan 2018–2022 constitutes the new framework of the development policy of **Togo**. Prepared with the support of the EU and the UNDP, the Plan has three strategic axes aiming to:

- improve the business climate;
- promote private investment to finance the country's structural reforms;
- promote job creation and sustainable economic development.

Through a budget support programme, the EU is helping Togo to improve the strategic allocation of resources, the management and transparency of public finances and the coherence of strategic and budget programming.

In **Egypt**, the programme 'Enhancing domestic resource mobilisation in Egypt through a better tax and exchange of information system' aims at increasing domestic resource mobilisation in order to

⁹³ <https://sustainabledevelopment.un.org/sdg17>.

⁹⁴ No data are available for the related Level 1 indicator 1.31 'Total government revenue as a proportion of GDP, by source'. Publication of data for this indicator on the SDG database is expected in summer 2019.

foster sustainable economic growth and income distribution by improving the design of tax policies and international tax cooperation. Among the results of the programme, the updated Egyptian Transfer Pricing Guidelines deserve mention: they introduced, among other innovations, an advance pricing agreement system, guidance on risk assessment and the analytical processes for transfer pricing analyses, in-line with OECD and G20 Base Erosion and Profit Shifting Actions 8–10. Furthermore, communication has been strengthened thanks to the EU–Egypt Dialogue on Economic and Financial Matters and the active participation of the EU in the Compact with Africa policy matrix, which will serve as a bridge to sustain reform momentum.

Mainstreaming of policy priorities: EU RF indicator 3.10

3.10 Amount of EU-funded international cooperation and development qualifying as ODA (billion EUR)	
2018	
Commitment	8.008
Payment	6.572

2.5. The Instrument for Pre-accession Assistance (IPA II) Performance Framework

EU aid to the Western Balkans and Turkey (WBT) region⁹⁵ is focused on the IPA II. In view of the specific nature of the assistance provided in this region, a separate results framework – the IPA II PF – was developed, modelled on the EU RF. In 2018, data on aid to the WBT region were produced in the first results reporting exercise against the IPA II PF, carried out in parallel to the fifth round of EU RF results reporting.

2.5.1. Reporting from ongoing interventions

The results reporting exercise is designed to support performance reporting but also aims to improve decision-making and promote learning. Reporting in the WBT region followed a similar approach to that of other regions in that it included a sample of ongoing operations as well as recently closed interventions. This is consistent with the Commission’s aim of further increasing data coverage and obtaining more timely information.

2.5.2. Coverage and structure of the IPA II PF

The adoption of partnerships and the importance of ownership at country level are important elements of cooperation around IPA II. For this reason, the results from the IPA II PF are presented on a contribution basis, which means that they represent the combined efforts of a variety of partners including the EU.

For the WBT region, the results reporting exercise was conducted using the same approach as in the other regions. Performance data were collected and matched to the IPA II PF. The IPA II PF also uses the same hierarchical approach as the EU RF, where Level 1 is designed for reporting on overall progress in the partner countries and Level 2 is used for reporting on partner country results supported by the EU. The IPA II PF reporting does not include a third level because indicators related

⁹⁵ The WBT region covers Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia and Turkey.

to organisational performance are covered in other reports, such as the 'Annual activity report'. Another key difference in this region is that the IPA II PF levels are aligned to IPA II strategic objectives.

As this is the first full results reporting exercise in the region, the data are limited to Level 2 of the IPA II PF. The data captured cover a set of interventions funded by the EU through IPA I and IPA II with a contribution above EUR 500 000. The projects are ongoing and completed interventions that started since January 2014 and were under implementation for at least 12 months at the time of project selection (June 2018).

2.5.3. Results-based management

As for other regions, the IPA II PF is part of a broader system supporting results-based management through the whole project cycle. The system includes:

- internal monitoring to define a robust intervention logic,
- annual internal management reporting to identify potential difficulties and relevant corrective measures,
- external monitoring (results-oriented monitoring reviews) to provide independent advice on improving project implementation.

2.5.4. Overview of key results reported for the IPA II PF

The total EU allocation of the interventions that reported against the IPA II PF indicators was EUR 105 million. Of this amount, 66 % was allocated in the government and civil society sector and 22 % in the SME development sector. Table 2 contains the key results reported for 2018.

Table 2. IPA II PF Level 2 – Aggregated results achieved with EU support

No	IPA II PF indicator	Results for 2018
2.3	Number of legal/administrative acts/measures (incl. at Constitutional level) i) adopted or ii) implemented with EU support with the objective of increasing independence and impartiality and/or accountability and/or professionalism and/or competency and/or efficiency of the national justice system	9
2.4	Number of a) judges, b) prosecutors and c) lawyers and justice sector staff trained with EU support on European standards and EU <i>acquis communautaire</i>	1 661
2.11	Number of initiatives led by civil society and supported by the EU	968
2.12	Number of public policies developed or revised with internal and external consultations with EU support	530
2.16	Number of EU-funded assistance interventions reporting improvement of compliance of border and security systems with EU/Schengen <i>acquis communautaire</i>	3

2.18	Number of public policies to strengthen revenue mobilisation, public financial management and/or budget transparency a) developed or b) under implementation with EU support	24
2.21	Number of beneficiaries with access to financial services with EU support: a) firms b) individuals (households)	1 466 a) 1 410 b) 56
2.23	Number of jobs supported/sustained by the EU	2 388
2.24	Number of public policies promoting social inclusion a) developed/revised or b) under implementation with EU support	12
2.31	Number of public policies promoting digitalisation a) developed/revised or b) under implementation with EU support	10
2.32	Number of smallholders reached with EU-supported interventions aimed to increase their sustainable production, access to market and/or security of land	608

3. Implementation: Geographical overview

3.1. African continent, sub-Saharan Africa and all ACP programmes

3.1.1. Sub-Saharan Africa

3.1.1.1. Introduction: Policy developments

EU–ACP relations

During 2018, EU–ACP cooperation continued actively on the basis of the Cotonou Agreement, including highlight events such as the EU–ACP Joint Ministerial Council in Lomé, Togo, and two meetings of the EU–ACP Joint Parliamentary Assembly in Belgium and Benin.

In view of the expiry of the Cotonou Agreement in 2020, negotiations for a renewed agreement with the ACP countries were launched in September 2018. The new agreement will consist of a common foundation and three regional partnerships with the ACP. The common foundation with all ACP countries will be based on shared values and interests and aim at facilitating increased cooperation at the international level. It will be complemented by the three tailored regional partnerships, which will represent the core of the new agreement.

Africa–EU partnership

Following the successful fifth AU–EU Summit, held in November 2017 in Abidjan, Côte d'Ivoire, implementation of the Abidjan Declaration, adopted at the summit, progressed during 2018 with its four priorities:

- investing in people – education, science, technology and skills development;
- strengthening resilience, peace, security and governance;
- migration and mobility;
- mobilising investments for African structural sustainable transformation.

In particular, a Memorandum of Understanding on Peace, Security and Governance was signed between HR/VP Mogherini and AU Chairperson Faki in May 2018. President Juncker also launched the Africa–Europe Alliance for Sustainable Investment and Jobs in September 2018. The Alliance envisages a coherent economic strategy that focuses on Africa's economic potential and the mobilisation of the private sector and aims at boosting investment and job creation in Africa. It is fully in line with Africa's Agenda 2063 and the African Continental Free Trade Area. The EU contributes by supporting and de-risking investment, and this complements action on the African side to strengthen the business climate. The EIP – the Alliance's financial backbone – is on track to deliver EUR 44 billion in leveraged investments in Africa and the Neighbourhood.

Peace and security remained at the heart of AU–EU cooperation in 2018. At the Abidjan Summit, leaders agreed on the principle of developing a framework document which will consolidate the peace and security partnership on a more structured basis. In January 2018, ministers declared that cooperation in the field of peace and security during all phases of the conflict cycle is a central pillar of the AU–EU partnership as new threats to international and regional peace and security – in particular, the spread of terrorism, piracy, radicalisation, violent extremism, the illegal arms trade

and organised crime – affect the stability of both continents. These threats require concerted efforts in accordance with international law, including international human rights law. The AU–EU Memorandum of Understanding on Peace, Security and Governance, signed in May 2018, puts the institutional partnership on a solid and structured footing, taking into account the complexity of the emerging threats and the need to address their root causes.

Both organisations 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, and EU Member States have agreed to replenish the APF for the period 2019–2020. This instrument provides substantial financial support to African-led peace operations, such as the G5 Sahel Joint Force, the AU Mission in Somalia and the Ecowas Mission in Gambia, among others. Under its Early Response Mechanism, the APF helped ensure stability and prevent violence. Examples include the Intergovernmental Authority on Development-led High-Level Revitalization Forum in South Sudan and the South African Development Community Preventive Mission in the Kingdom of Lesotho (Sapmil). The APF is also helping to reinforce the APSA support programme over the period 2016–2019 (more than EUR 28 million). This covers activities related to conflict prevention and early warning, crisis management and conflict resolution, including the African standby force and mediation, post-conflict reconstruction and development and strategic issues, directly benefiting the AU Commission and eight regional economic communities/regional mechanisms in the process. AU–EU cooperation supports full operationalisation of the APSA, including the links with the AGA, in line with the AU reform process.

The 14th AU–EU Human Rights Dialogue took place on 12 October 2018 in Brussels at the EEAS, co-chaired by the EU Special Representative for Human Rights, Stavros Lambrinidis, and AU Commissioner for Political Affairs, Minata Cessouma Samate. The dialogue assessed progress achieved and identified new deliverables. It was built on the momentum of the important fifth AU–EU Summit in November 2017. The issues discussed included the following:

- human rights developments in the EU and in Africa,
- the death penalty,
- torture,
- business and human rights,
- multilateral cooperation and the International Criminal Court (ICC),
- EOMs,
- gender issues,
- trafficking,
- youth participation in African and European politics.

The dialogue was preceded by a two-day seminar on the theme of ‘Youth rights to participation in Africa and Europe’, which brought together 40 civil society representatives from Europe and Africa.

There were commitments made on a number of deliverables and areas for follow-up, including:

- organising a conference on torture and encouraging more African countries to join the Global Alliance on Torture;
- promoting strong African participation in the 2019 World Congress Against the Death Penalty;
- ensuring robust follow-up activities to EU EOMs;
- organising a launch event for the African pillar of the EU–UN Spotlight Initiative;
- increasing engagement with youth representatives (African, European and diaspora youth networks, platforms and organisations) and the AU–EU Youth Cooperation Hub to include more young people in development projects.

On electoral observation, building on the EU–AU–UN language agreed at the Conference on Electoral Observation the previous day, commitments were made to explore the possibility of personnel exchange between EU and AU missions and joint visits to countries to present EU and AU mission reports and recommendations.

3.1.1.2. Working better together: Development effectiveness and donor coordination

The EU and its Member States are committed to working jointly in the framework of the new European Consensus on Development at country level to implement the 2030 Agenda for Sustainable Development in sub-Saharan Africa, as a strategic engagement process framed by the SDGs and in support of the partner country's National Development Plan.

In 2018, 10 Joint Programming Documents were in place in **sub-Saharan Africa: Comoros** (2015–2020), **Côte d'Ivoire** (2017–2020), **Ethiopia** (2017–2020), **Ghana** (2017–2020), **Kenya** (2018–2022), **Mali** (2014–2018), **Rwanda** (2014–2018), **Senegal** (2018–2023), **Togo** (2014–2020) and **Uganda** (2015–2019). Moreover, the process was well advanced in **Central African Republic**. In **Ghana**, **Kenya** and **Senegal**, the launch of the joint strategies was accompanied by the signing of a joint declaration with the respective governments. Of the 11 joint strategies, 5 had joint monitoring and results frameworks (Comoros, Ethiopia, Ghana, Kenya and Senegal). In addition, there was an active joint programming process in eight more countries: four with a joint analysis (**Benin**, **Burkina Faso**, **Niger** and **Zambia**) and four with drafted roadmaps for joint programming (**Burundi**, **Cameroon**, **Madagascar** and **Mozambique**). Apart from the EU and different Member States, the EIB and associated countries like Switzerland or Norway are part of several joint programming approaches.

In the context of the Africa–Europe Alliance for Sustainable Investment and Jobs, country-tailored Jobs and Growth Compacts – elaborated in order to translate EU key priorities into action on the ground – are also discussed among Member States, governments, private sector and international financial institutions to ensure coherence.

The EUTF for **Békou** is another example of close partner coordination; its strategic board comprises EU Member States and other partner representatives, who together define the strategic orientation of the trust fund in cooperation with the Central African authorities.

The EUTF for Africa has remained a key implementing instrument for addressing the main challenges of the **Horn of Africa**, **North Africa** and **Sahel and Lake Chad** regions. It complements traditional EU development instruments, humanitarian aid and existing political dialogues. Through its governance structure, the EUTF has continued to offer a framework for dialogue, collaboration and coordination among contributors and partner countries. The EUTF for Africa has been instrumental in fostering regional cooperation and facilitating contributor coordination in the Sahel region through the Sahel Alliance. In coordination with other EU initiatives in support of the G5 Sahel and its Joint Force, the EUTF for Africa has continued to support the Sahel Security College. In the Horn of Africa, the EUTF has continued to promote coordination and invest significant resources in the implementation of the Comprehensive Refugee Response Framework (CRRF), a UNHCR-led initiative, strongly supported by the Intergovernmental Authority on Development, the World Bank and the EU. Moreover, **Uganda** and **Sudan** are pilot countries for the Humanitarian–Development Nexus, which aims to strengthen the coordinated action between humanitarian and development efforts. In **Somalia**, the Partnership Forum helped mobilise the international community to forge a consensus on stabilising and promoting the development of this country, resulting in, among other things, the EU’s first-ever budget support programme there (EUR 103 million).

The EU is an active participant in the Cooperating Partner’s Group for PSD, where national and regional policies and actions are discussed; this group was set up by the Common Market for Eastern and Southern Africa (Comesa) Secretariat to organise cooperating partner meetings each year alongside the annual policy meetings. For the East African Community (EAC), as of December 2018, overall partner coordination is taking place through regular coordination mechanisms spearheaded by the EU.

3.1.1.3 Working towards the SDGs

The EU subscribes to the 2030 Agenda and its 17 SDGs. Its external and development policies are essential to support progress towards achieving them. The EU continues its efforts to boost sustainable and inclusive growth in and with its partner countries and to contribute to prosperous, peaceful, inclusive and environmentally sustainable societies in sub-Saharan Africa. Identifying priorities under the framework of the SDGs is a key exercise in order to develop partnerships directed to both the countries’ and the EU’s interests across the region.

In West Africa, the EU has been proactive in achieving progress with regard to economic growth (SDG 8) and any strategy to achieve it (diversification, regional integration, infrastructure investment), which is a key interest to almost all the 17 countries located in that region. Aside from this, education (SDG 4), industry, innovation and infrastructure (SDG 9) and access to affordable and clean energy (SDG 7) were also part of the cooperation implemented in the region.

For the East Africa/Horn of Africa region, the EU has maintained its efforts in achieving economic growth (SDG 8) in almost all the 11 countries. Besides this, actions have also been implemented in relation to peace, justice and strong institutions (SDG 16). Hunger eradication (SDG 2) and education access (SDG 4) also remain key challenges for which the EU’s added value is instrumental.

In Central Africa, actions in the field of peace, justice and strong institutions (SDG 16) were key for almost all the countries in the region. In addition, economic growth (SDG 8) and access to health services (SDG 3) have been main priorities in the area. Therefore, support in progressing towards these SDGs has been, and will remain, part of the EU partnership with Central African countries.

Finally, in southern Africa, EU actions focused on progressing towards economic growth (SDG 8), peace, justice and strong institutions (SDG 16) and access to health and food nutrition (SDG 3) in response to the region's most pressing challenges.

Through the Pan-African Masters Consortium on Interpretation and Translation (Pamcit) project, the EU helps to train highly qualified interpreters and translators in Africa to meet emerging needs. Pamcit covers the period of December 2015 to November 2019 and is financed by the EU (EUR 3.6 million as part of the pan-African programme) in cooperation with the UN in Nairobi. Pamcit has established a network of universities in Africa to act as centres of excellence to train interpreters and translators at master's level. As of December 2018, it has five partner universities – in Cameroon, Ghana, Kenya, Mozambique and Senegal – covering the main regions of the continent.

In view of the progress achieved, the EU remains committed to the 2030 Agenda for Sustainable Development and to work together with partner countries to end all forms of poverty, fighting inequalities and tackling climate change while also ensuring that no one is left behind.

3.1.1.4 Implementation

Bilateral cooperation including budget support

For all sub-Saharan Africa, the objective has been to implement the 2030 Agenda by optimising all EU instruments in a coherent manner. The year 2018 saw the adoption of the new Africa–Europe Alliance for Sustainable Investment and Jobs with four interconnected strands of action:

- strategic investment and job creation,
- investing in education and matching skills and jobs,
- improving the business environment and investment climate across the continent,
- strengthening economic integration and trade, within Africa and between Africa and the EU (SDGs 8, 9, 10).

Cross-cutting themes such as inequality (SDG 10), gender (SDG 5) and resilience building have been mainstreamed throughout. Programmes for private investment have been identified under the EIP and the EFSD, and implementation of Economic Partnership Agreements (EPAs) has continued through dialogue and support programmes.

The SDGs are also reflected in bilateral programmes in sub-Saharan Africa: in **Central African Republic**, despite its fragility, there was positive progress, and the EU approved further budget support to contribute to the reform of the security sector (SDG 16). The EUTF for **Bêkou** will continue to support the health system, rural development, economic recovery and social cohesion/reconciliation (SDGs 3, 8, 9, 16). In the **Democratic Republic of the Congo**, Commission support to independent observation of elections by local civil society ensured a more transparent and inclusive process and the Commission contributed to the response to the Ebola crisis (SDGs 3, 16). In **Cameroon**, a new programme enhancing economic competitiveness will contribute to job creation, economic growth and implementation of the EPA (SDG 8). In **Zambia**, the EU has set up an innovative financial instrument, **ElectriFI** (EUR 40 million), designed to unlock additional financing from private investors to boost innovative energy services (SDG 7). With the **GCCA**, climate-smart

agricultural practices and technologies improve the resilience of communities (SDG 13), in particular in countries such as **Malawi** that are experiencing extreme weather events.

West African countries have taken successful first steps in renewable energy. Isolated rural areas are particularly targeted in countries like **Côte d'Ivoire, Gambia, Ghana, Mali** and **Senegal** (SDG 7). The EU continued to commit funds to agriculture and food security in West African countries. In 2018, a total of EUR 158 million was approved for **Chad** (receiving the greatest share: EUR 130 million), **Mali** and **Senegal** and for other projects in **Mauritania** and **Nigeria** (SDGs 1, 2). More than EUR 653 million has been disbursed through budget support in **West** and **East Africa** (including by the EUTF for Africa). The first two EU SDG contracts have been adopted in **Ghana** and **Senegal**. In **Côte d'Ivoire**, a top-up to the Good Governance and Development Contract was adopted (SDGs 8, 9, 10). Under the EUTF in the **Horn of Africa**, the EU also launched its first-ever budget support to **Somalia** (EUR 103 million) as a response to the country's positive reform track record. It aims to support federalism in the country as well as a much-needed currency reform, and to enable the government to provide basic services to its population (SDGs 1, 2). In **Mali**, the EU continues to implement an integrated approach to security development, combining support to long-term reforms and actions to provide basic services (SDGs 6, 16). In **Ethiopia**, an innovative 'job compact' budget support programme was launched, focusing on industrialisation, decent work and refugees (SDGs 8, 9, 10).

Regional cooperation (including continental Africa)

The 'West Africa competitiveness II' programme supports the development of selected value chains with the highest job and export potential and will contribute to the overall business climate in selected countries in the region (SDGs 8, 9, 10). In eastern and southern Africa, impetus has been given to economic integration through the launch of the 'Markup' programme (EUR 35 million), aiming to improve market access for EAC countries (SDGs 8, 9, 10, 17). The region has benefited from the EU-funded development of regional road corridors in Somalia (EUR 42 million). In the Great Lakes, EUR 8 million was allocated to the development of cross-border infrastructure to help stabilise the region. This action complements 'Secure cross-border social, economic and commercial activities in the Great Lakes Region' (EUR 20 million), focusing on improving installations and joint management of the border posts (SDGs 8, 9, 10, 17). The 2018 'Pan-African Programme' (EUR 155.7 million) focuses on education, knowledge and skills development for youth. The 'Intra-Africa academic mobility scheme' has been extended for a third phase (EUR 20 million). In the area of knowledge development, support for Africa Connect continues (EUR 30 million) (SDG 4).

In 2018 EU–Africa cooperation on science, technology and innovation grew stronger with the development and consolidation of existing initiatives and the launch of new ones.

- Progress was achieved in the EU–Africa Research and Innovation Partnership on Food and Nutrition Security and Sustainable Agriculture with the launch of 27 new projects, including more than 160 African and European partners.
- In the context of the AU–EU Research and Innovation Partnership on Climate Change and Sustainable Energy, the first steps were taken towards the development of a future joint European–African programme on renewable energy technologies.
- Close cooperation continued within the framework of the second EDCTP programme and other key multilateral initiatives, such as the Global Alliance for Chronic Diseases. The

Commission also contributed to the development of the Global Antimicrobial Resistance Research and Development Hub, launched on 22 May 2018.

- Further to President Juncker's proposal for a new Africa–Europe Alliance for Sustainable Investment and Jobs, a new initiative, the 'Africa–Europe innovation partnership', was launched with a view to linking the EU and Africa's innovation ecosystems through synergies with ongoing actions.
- 'All Atlantic Ocean' research cooperation grew stronger, with an agreement signed by the Commission and Cabo Verde in November 2018 to foster marine research and innovation cooperation between the two partners.

Cross-Border Cooperation (CBC) overview

The EUR 30 million 'Cross-regional wildlife conservation' programme in eastern and southern Africa and the Indian Ocean supports anti-trafficking efforts by enforcing wildlife law and CBC in selected transboundary ecosystems (SDG 17). The EU is also supporting Comesa's 'Regional enterprise competitiveness and access to markets' programme (EUR 10 million) and its 'Trade facilitation' programmes (EUR 63 million), with a focus on small-scale cross-border trade (SDGs 8, 9, 10). In 2018, a new programme on border management of the Economic Community of Central African States was approved (SDG 16). New investment projects will contribute to improving connectivity, such as the cross-border transport infrastructure (SDG 9) and electrical interconnection between Cameroon and Chad (SDG 7). An expansion of the 'Forest ecosystems in Central Africa' (Ecofac) programme was also approved (SDG 15).

3.1.1.5. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

Overall humanitarian aid delivered to **sub-Saharan Africa** in 2018 amounted to EUR 659 million and benefited more than 100 million people.

DG ECHO increased its funding of EUR 272.9 million in response to the new Sahel crisis arising from the agro-pastoral lean season, tackling an unprecedented increase in severe acute malnutrition cases in Chad as well as the conflict in the area where the borders of Burkina Faso, Mali and Niger meet. Adequate response was also provided for the north-east Nigeria crisis and other urgent crises (cholera and Lassa fever outbreak, Cameroon's Anglophone refugees and flooding). Support for the Nexus process was reinforced along with efforts to help other contributors cope with crises, leading, for instance, to the increase of funding (EUR 19.4 million) to Central African Republic.

In **eastern Africa** and in the **Great Lakes** region, the EU contributed a total of EUR 366.8 million to respond to new and deteriorating situations linked both to increased conflicts and climate-induced shocks in Ethiopia, Somalia, South Sudan and Sudan. Adequate response was also provided to the increased influx of refugees in all these countries and in Uganda, including through the Nexus process with the EU and its Member States. In the Great Lakes, in addition to conflict triggering large-scale internal displacement and a very dire food security situation, the Democratic Republic of the Congo was confronted with two subsequent Ebola epidemics, one of which is still ongoing (as of December 2018).

3.1.1.6. Crisis response and preparedness

With over 15 new crisis response programmes launched in sub-Saharan Africa in 2018, the IcSP contributes to the EU's response to the numerous crises in the region.

In **Central African Republic**, the IcSP is supporting the peace process through the deployment of a senior adviser to the president and government, to build their negotiation team's mediation and negotiation capacities and support the design of the process, and three new crisis response initiatives working with different actors engaged in the peace negotiations. With four IcSP actions, including two CBSD initiatives, the IcSP also provided considerable support to the security sector, including for the gradual deployment of the national armed forces and the internal security services and for strengthening trust and collaboration between communities and security forces. In addition, other IcSP actions focused on supporting stabilisation of communities most at risk and the investigations of the Special Criminal Court.

In **Sahel and Lake Chad**, the IcSP is supporting efforts in the fields of SSR, prevention of violent extremism, migration and border management, dialogue and mediation across the region. This includes: direct support to the Comité de Suivi de l'Accord in Mali; programmes to strengthen the capacities of security actors in Burkina Faso, Chad, Mali and Nigeria to improve law enforcement, better anticipate and manage crises and protect civilians; and initiatives on the demobilisation, judicial treatment and reintegration of former Boko Haram combatants and associates in Cameroon, Niger and Nigeria. In Mali, a CBSD action will improve security of the airport in Mopti and support the provision of basic services with a view to restoring the presence of the state in central Mali.

In coastal **West Africa**, the implementation of new IcSP programmes, adopted in 2017, started in Côte d'Ivoire and Guinea, notably to tackle the growing risk of radicalisation and support the authorities to better anticipate and respond to security risks. The IcSP is also engaged in initiatives aiming to tackle conflicts and insecurity stemming from the exploitation of minerals and trafficking, including in relation to the Kimberley Process, in a regional programme supporting civil society capacities to anticipate and prevent electoral violence.

In response to the ongoing humanitarian crisis and the deteriorating security situation in the **Democratic Republic of the Congo**, new IcSP actions were launched in 2018 in relation to the elections and the crisis in the Kasai region.

In **Kenya**, IcSP supports peacebuilding initiatives, promoting participation, and leadership in particular, of young people and women and preventing the spread of violent extremism and radicalisation.

In **Madagascar**, the IcSP helps prevent election violence and promote political stability throughout the preparation and holding of elections. The IcSP was also engaged in **Zimbabwe** for the 2018 elections.

In **Somalia**, the IcSP continues to support consolidation of the Somali security architecture and was instrumental in materialising EU support for the Somali Transition Plan, approved by the Somali Partnership Forum in December 2017, specifically targeting capacity building of the security sector and stabilisation activities. A first CBSD action will enhance the joint operational capacity of the Ministry of Defence and the Somali National Army to secure their headquarters in Mogadishu and to provide them with equipment, capacity building and training.

3.1.2. South Africa

3.1.2.1. Introduction: Policy developments

In his first year in office, President Ramaphosa consistently focused on the economy and the fight against corruption. The year 2018 has seen President Ramaphosa focusing on restoring international and domestic confidence, avoiding further downgrades and setting out to tackle important drawbacks affecting South Africa's economy – for instance, restructuring government departments, civil service and state-owned enterprises, ensuring proper policy implementation to foster investment (notably in infrastructure) and delivering on health and education – all in a very constrained macroeconomic environment.

The Job Summit and Investment Forum held in South Africa in 2018 confirmed President Ramaphosa's commitment to boost inclusive growth, attract investment and create jobs within a context of global uncertainty. The first technical economic recession since 2009, slower global economic growth, high levels of unemployment and worrisome debt levels complicate the task of revamping the economy, adding pressure on the president ahead of elections in 2019. The president reconfirmed the National Development Plan as the key guiding document for transformation. The ANC will guide the policies of this administration via the recommendations agreed at the ANC 54th National Electoral Conference, the ANC National Executive Committee Statement on the occasion of the 107th anniversary of the party and the ANC electoral manifesto.

Throughout 2018, South Africa and the EU continued working together on science, technology and innovation. This fruitful collaboration was recognised at the highest level by the seventh EU–South Africa Summit in November 2018, when all major thematic priorities of EU research and innovation cooperation were acknowledged (marine science, bioeconomy, nanotechnology and research infrastructures) and many more were welcomed as targeted cooperation areas for the future (open science, ICT and innovation). Ongoing national challenges, such as a number of specific trade policy issues, were discussed frankly but did not detract from the good atmosphere and rapport established between the EU presidents and President Ramaphosa.

A joint summit statement was also successfully concluded, emphasising the importance of multilateralism and rules-based international order and including references to the WTO, Iran and human rights as well as the Chemical Weapons Convention. Furthermore, President Ramaphosa outlined his position on land reform and withdrawal from the ICC. Global challenges, including the international aspects of migration, were also discussed.

3.1.2.2. Implementation, including development effectiveness, SDG focus and perspectives

Improving aid and development effectiveness in **South Africa** is central to the EU's development cooperation. Country ownership is ensured by the alignment of individual project designs with the National Development Plan 2030 and other results frameworks. Project design and implementation aim at inclusive development partnerships that include, notably, complementarity of government action with CSOs and the private sector, for example with the EUR 30 million 'Education for employability' programme that was signed in 2018. Joint programming is not pursued in South Africa due to the very limited number of EU Member States (three) with a formal development cooperation programme with the South African government and the limited number of development partners involved in official development aid given the size of the country's economy.

However, regular coordination does take place. The EU delegation in Pretoria leads the EU development cooperation counsellor meetings and participates in several partner working groups (e.g. on gender, justice and agriculture) in which aid effectiveness principles are promoted, in particular transparency and shared responsibility.

South Africa's national plans and strategies are well aligned with the SDGs. The EU-funded actions under the multi-annual indicative programme 2014–2020 are systematically linked to the corresponding SDGs. This was the case in particular in 2018 with two newly approved programmes. The 'Gender equality and women empowerment in South Africa' programme contributes primarily to the progressive achievement of SDG 5 (gender equality) but also promotes progress towards SDGs 8 (sustainable growth and employment) and 10 (inequality). As for the 'Support programme for the transformation of the wine and spirits sector in South Africa', it contributes primarily to SDGs 1 (end poverty) and 10 (inequality) but also promotes progress towards SDGs 2 (sustainable agriculture), 6 (water and sanitation) and 8 (sustainable growth and employment).

Beyond these two new programmes, the EU-funded cooperation with South Africa focuses on several SDGs. For example, the EU supports more inclusive, equitable and quality education (SDG 4) and employment prospects for South African youth. In particular, the EU is the only contributor in South Africa involved in inclusive education for people with disabilities. This is an urgent issue that South Africa must address as a signatory of the UN Convention on the Rights of Persons with Disabilities, since, in practice, 0.5 million learners with special needs are excluded from schools. Similarly, EU-funded cooperation continued to play a key role in 2018 on SDG 3 (health). With technical assistance seed funding provided by the WHO, the EU helps the South African government spearhead the path towards universal health coverage. As of 31 December 2018, less than 15 % of citizens are covered by private medical insurance and are therefore exposed to an unregulated and expensive private healthcare system; the other 85 % of the population is not covered by any financial protection, relying on suboptimal public healthcare facilities. Reform aims to offer everyone a similar basic package, funded by compulsory contributions and other general funds raised by taxation, giving access to a service provided by qualified and regulated public providers. Specific EU-funded actions included the preparatory work towards the first Presidential Health Summit in October 2018 and constant support to the several commissions working on the implementation of reform.

3.2. Latin America and the Caribbean

3.2.1. Latin America

3.2.1.1. Introduction: Policy developments

The year 2018 saw progress in materialising EU partnerships in Latin America and the Caribbean through political and trade agreements: with **Mercosur** (South American trade bloc), negotiations on the political and cooperation pillars of the bi-regional Association Agreement were virtually concluded (continuing differences on some trade issues prevented a complete conclusion); with **Mexico**, negotiations reached political conclusion making it possible to envisage completion of the modernised Global Agreement in 2019; with **Chile**, significant headway was also made on negotiating a modernised Association Agreement.

Of broader relevance to the future of EU–Caribbean relations, negotiations for a new Partnership Agreement with ACP states were launched in July. The first ministerial-level joint council under the new Political Dialogue and Cooperation Agreement with **Cuba** took place in Brussels in July, laying the ground for further enhanced cooperation and dialogues in different areas, including human rights.

In 2018, the EU continued to play an active role in the peace process in **Colombia**, supporting the implementation of the peace agreement through the Colombia Trust Fund. The results of the second year of implementation by **Ecuador** of the Multi-Party Trade Agreement, which the country joined in 2017, were very positive.

Political polarisation increased and the socioeconomic situation deteriorated in **Venezuela**. The EU pursued its support for peaceful democratic solutions based on meaningful dialogue while also increasing pressure on the regime via carefully designed restrictive measures. Meanwhile, the EU stepped up its assistance to address the most urgent needs of the population and of Venezuelan migrants fleeing the country.

In Central America, protests erupted in **Nicaragua** in April, triggering a major crisis. The EU continuously reiterated its support for dialogue, including on justice and democracy, accountability for all crimes and electoral reforms. Instability also increased in **Guatemala** with renewed strong attacks on the UN-established International Commission against Impunity (CICIG). **Honduras** continued to suffer from lingering problems linked to its complex electoral process.

At the regional level, while the third EU–Community of Latin American and Caribbean States (CELAC) Summit was postponed due to internal differences over the Venezuela crisis, the second EU–CELAC Foreign Ministers meeting, held in Brussels on 16–17 July 2018, testified to the importance given to bi-regional partnership and confirmed the wish to continue deepening relations. The meeting adopted the declaration ‘Building bridges and strengthening our partnership to face global challenges’. Initiatives were announced in a number of areas such as citizen security, climate change and bi-regional cooperation on productivity and culture.

On the margins of the July EU–CELAC meeting, the foreign ministers of the EU and the Pacific Alliance agreed to strengthen relations and cooperation between the blocs and to prepare a joint declaration to that effect, providing a political framework for cooperation and dialogue on areas of shared interests.

The EU–Latin America and Caribbean (LAC) Foundation – created in 2010 by the Heads of State and Government of the EU and Latin America and the Caribbean as a tool to strengthen and promote the bi-regional relationship – made important progress in becoming an international organisation.

The EU started preparing for collaboration with the EU–LAC Foundation, setting out the EU’s vision for a stronger modernised partnership. Set for adoption in the first semester of 2019, the EU aims to provide strategic direction for the diverse set of policies and instruments for Latin America and the Caribbean.

In 2018, good progress was made in establishing the EU–CELAC Common Research Area, focusing on aligning the framework conditions for research and prioritising support for implementing the SDGs on both sides of the Atlantic. Work focused on managing research infrastructures, boosting cooperation on the transformation of biowaste, promoting research for sustainable cities and

facilitating the exchange of scientists between the two regions. In addition, calls under the Horizon 2020 framework programme on research related to cancer, energy, migration and transport have led to projects that include partners from Latin America.

3.2.1.2. Working better together, development effectiveness and partner coordination

In the new European Consensus on Development, the EU committed to be a force for the implementation of the 2030 Agenda for Sustainable Development. Together with the EU Member States, the Union emphasises the importance of having strong partnerships at country level that will improve the impact of European development assistance and achieve the SDGs.

The ‘Working better together’ approach is about a European commitment to programme, implement and monitor EU development cooperation in a more coordinated way based on each partner country’s National Development Plan. This approach, with joint programming at its core, is being tailored to the Latin American context, where a strategic engagement process accommodates partner countries’ shrinking dependence on development financing. Four partner countries have a Joint Programming Document: **Bolivia, Guatemala, Nicaragua and Paraguay.**

Within the framework of the Partnership Instrument, specific facilities have been designed to strengthen EU relations and support sectoral dialogues with **Brazil** and **Mexico**, enhancing EU strategic partnerships in the region.

3.2.1.3. Working towards the SDGs

The multi-annual programmes for Latin America are forward-looking and fit in to the ‘five Ps’ of the Consensus while also advancing implementation of the SDGs in the region.

The EU is well placed through its bilateral and regional programmes to assist the countries and regional organisations in working towards the SDGs. Dialogue was stepped up at all levels, from subregional to EU–CELAC level.

EU programmes contributed to achieving results in the areas of gender, decent jobs and the green economy, reducing inequalities, climate change adaptation and mitigation, sustainable energy, peace and security and capacity development in the public sector, especially in public financial management.

The Partnership Instrument has supported Commission services’ external projection of priorities that contribute to the SDGs:

- energy union and climate change,
- justice and fundamental rights,
- being a strong global actor,
- jobs, growth and investment,
- a digital single market,
- migration.

3.2.1.4. Implementation

Bilateral implementation, including budget support

The EUTF for **Colombia** supports implementation of the peace agreement with the Revolutionary Armed Forces of Colombia – People’s Army (FARC). This amounted to EUR 119 million at the end of 2018. It focuses on integrated rural development that will bring major economic, political and social benefits, including for the stability of neighbouring countries and the wider region, and on the social and economic reincorporation of former FARC combatants.

The Commission responded to the crisis that has gripped **Nicaragua**, supporting the population with adoption of programmes in the area of food production (BOOST) and improvement of the capital’s drinking water supply.

In **Guatemala**, the EU continues to fund CICIG to allow for the continuation of investigations and prosecution of crime in the country. Other programmes approved in 2018 relate to the public healthcare system (EUR 20 million) and the promotion of decent employment opportunities (EUR 15 million).

For **Honduras**, two new programmes have been adopted: one to strengthen the national system for human rights (EUR 8 million) and the other to provide budget support for the national employment policy (EUR 60.4 million). In **Bolivia**, new programmes were adopted in support of the justice system (EUR 3 million) related to basic sanitation and improvement of cities’ water supplies (EUR 35 million, which includes a budget support component). In **Ecuador**, the EU is contributing to the economic reactivation of areas affected by the 2016 earthquake (EUR 26 million) and supports the comprehensive development of the northern border with Colombia (EUR 18.9 million).

Regional cooperation and CBC overview

Environment/climate change is a major area of intervention. Activities include blending operations under the LAIF and the ‘EUROCLIMA+’ flagship programme.

‘EUROCLIMA+’ focuses on helping Latin American countries implement their climate change adaptation and mitigation objectives and is implemented by seven agencies, comprising five from EU Member States (the AFD and Expertise France; the German Corporation for International Cooperation (GIZ); the Spanish Agency for International Cooperation for Development (AECID) and the International and Ibero-American Foundation for Administration and Public Policies (Fiiapp) and two UN entities (the Economic Commission for Latin America and the Caribbean (ECLAC) and UN Environment). Important outcomes have been the reformulation of NDCs for **Ecuador** and the climate change law in **Chile**. The programme also supported the Forum of CELAC environment ministers that took place in Buenos Aires in October 2018.

With regard to the Security–Development Nexus, a new programme, ‘Eurofront’ (EUR 15 million), was approved to foster intra-Latin American cooperation in the area of integrated border management. This took the form of four land-crossing posts, involving seven countries, and support for the fight against human and migrant trafficking.

The ‘El PACCTO’ programme (Europe–Latin America Assistance Programme against Transnational Organised Crime) is well established. The year 2018 saw the signing of the Ameripol Convention by

five countries (Argentina, Bolivia, Brazil, Ecuador and Panama, with the Dominican Republic and Paraguay as candidates), with **Argentina** and **Brazil** reinforcing police cooperation against international organised crime. El PAcCTO is the EU response in support of the dialogue on citizen security within the region and with the EU Member States.

‘Copolad II’, the regional programme on drugs policies, represents a unique platform for dialogue between 31 countries and institutions from the EU and Latin America and the Caribbean. It had good results in 2018, reducing demand for drugs and creating National Observatories.

With regard to supporting inclusive and sustainable growth, several regional programmes (like AL-Invest) targeted MSMEs as a catalyser for poverty reduction. With regard to supporting good governance, accountability and social equity, ‘EUROsociAL+’ is addressing social inclusion in the region through programmes on good governance, social policies and gender.

The ‘Regional facility for international cooperation and partnership’ (Adelante) is a pilot programme on triangular cooperation in Latin America. Adelante supports the scaling-up of good practices at all levels, clearly linked with the achievement of the SDGs. Limited financing (EUR 10 million) has managed to mobilise 54 organisations from 18 countries in the region in sectors ranging from agriculture to judicial reform.

The ‘Regional facility for development in transition’ programme (EUR 9.5 million), which is being implemented jointly and is co-financed with the OECD and ECLAC, aims to effectively respond to the development challenges arising for countries transitioning to higher levels of income.

Blending operations have continued to feature high on the cooperation agenda through a policy of engagement with financial institutions. Six operations within the LAIF were approved in 2018 (EUR 659 million), encompassing three regional projects in **Central America** and **Mercosur** and three bilateral projects in **Colombia**, **Cuba** and **Ecuador**.

The Partnership Instrument has been active in the region at different levels and through the Policy Support Facility and the TAIEX instrument. Actions relate to areas of key interest to the EU, ranging from sustainable trade, promoting business cooperation on low-carbon technologies and the digital economy to sustainable mining, safe and climate-friendly aviation, gender and corporate social responsibility.

Case studies

EUTF for Colombia

Context

The EUTF for Colombia, officially launched in December 2016, has a total budget of EUR 119 million, including contributions from 19 EU Member States and Chile.

Objectives

The objective is 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 ex-combatants.

Impact

By the end of 2018, 16 projects were ongoing with a contribution of EUR 56.5 million. This established a solid presence in the territories covering 73 municipalities and all temporary reincorporation zones, where former combatants are transitioning to civilian life.

In the areas where the fund is operating, implementing partners report that projects are helping to rebuild trust between former FARC combatants and surrounding communities as well as in the overall peace process. A genuine social reintegration and reconciliation process is taking place, which includes working with ex-combatants, the military and municipalities. Altogether, the trust fund is contributing to rebuilding and increasing trust in the state.

Trust fund projects have produced results quickly, be it in terms of productive infrastructure (7 fish-farming facilities; poultry- and pork-processing infrastructure; pineapple-processing facility for ex-combatants), training (61 women were certified in rural journalism and peacebuilding; scholarships were awarded to rural youth) or increased access to market (projects have started exporting coffee to Europe and Australia and bananas to the United States; peasant markets – mercados campesinos – have been established or revamped; and food security activities have begun to yield results).

EI PACCTO

Context

As of December 2018, Latin America is the most violent region in the world; illegal trafficking controlled by organised crime groups takes place on a large scale. In that context, citizen security is one of the priorities of the EU–CELAC political dialogue and Action Plan. With a EUR 23 million budget, EI PACCTO is a translation into practice of the Security–Development Nexus as one of the main areas of EU-funded cooperation. For the first time in Latin America, a regional programme covers the entire criminal chain. The programme supports the rule of law in the 18 Latin American countries. It started operating in May 2017, and its technical activities began in February 2018 and will last until 2022.

Objectives

EI PACCTO is a technical assistance programme conceived to share good practices between the EU and its Member States and Latin American countries. It favours exchanges between peers, which is a key issue in regional or international cooperation. EI PACCTO supports its beneficiary institutions through concrete cases and aims to address the main issues in the fight against organised crime.

The programme's three main components are police cooperation, judicial cooperation and penitentiary systems, which together cover the five issues of money laundering, corruption, cybercrime, gender issues and human rights. The programme works with more than 70 public institutions in the Latin American countries, mostly ministries, general prosecutors' offices and supreme courts. EI PACCTO is demand-driven and results-oriented.

Impact

CBC is at the core of EI PACCTO. In 2018, the programme supported the creation of a Latin American Police Cooperation Centre at the border between Panama and Costa Rica, based on the EU model of Police Customs Cooperation Centres. This centre is now operational and will continue to develop in 2019.

The signature of the Buenos Aires Agreement for the creation of Ameripol was a major achievement in 2018. Ameripol will foster the exchange of information and intelligence among prosecutors and law enforcement agencies, enabling complex investigations in the region. Moreover, thanks to EU support, Europol has shown great interest in strengthening its partnership with Ameripol in Latin America. Collaboration, exchange of expertise between Ameripol and Europol are expected to start in 2019.

One concrete action targeted internet child pornography and led to the arrests of suspects in Latin America and Europe. The operation also enabled the identification of problems and solutions related to criminal investigation and prosecution in cybercrime matters.

3.2.1.5. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

Venezuela

The year 2018 saw a critical deterioration in the overall living conditions of the population in Venezuela due to a sharpening socioeconomic and political crisis. Lack of medicines, combined with a drastic reduction in the health system's capacity, resulted in a growing number of people lacking treatment for chronic diseases or emergency medical care. Several large outbreaks of infectious diseases occurred, including measles, diphtheria and malaria, as a result of the discontinuation of preventive programmes, deterioration of sanitary conditions and decreased vaccination coverage. Malnutrition rates exceeded emergency thresholds in many areas. By the end of 2018, more than 3.2 million people had left the country, concentrating in Brazil, Colombia, Ecuador and Peru in particular. The EU allocated EUR 32 million to help the affected populations in Venezuela and in the region, targeting provision of health and nutritional services, water and sanitation, protection, education in emergencies and support to host communities.

Colombia

In 2018, humanitarian needs were on the rise in Colombia's forgotten humanitarian crisis. Access and respect for international humanitarian law became even more challenging in some areas. Conflict and violence perpetrated against civilians by old and new armed groups seeking to gain territorial control caused new population displacement with spillover effects in the region. More than 150 000 people were displaced in 2018, and 1 million suffered confinement and mobility restrictions. By the end of the year, there were around 300 000 Colombian refugees in neighbouring countries. In addition, the escalation of the multidimensional crisis in Venezuela forced large numbers of people to flee to Colombia, escaping insecurity and/or looking for basic assistance. Colombia is also highly prone to natural disasters. Conflict-affected municipalities are particularly at risk and provide only limited access to emergency responders. The EU allocated EUR 8 million to help people affected by conflicts and natural disasters in Colombia, targeting protection, healthcare, water and sanitation for the most vulnerable groups and education in emergency and disaster preparedness.

3.2.1.6. Crisis response and preparedness

The IcSP remained engaged in **Colombia** throughout 2018. Following rejection of the agreement between the Colombian government and FARC 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 FARC. IcSP support was instrumental in providing training to the Colombian military and police personnel charged with ensuring the security of the zones in which FARC members had concentrated to demobilise and where they would later hand in their weapons.

The IcSP also contributed to the EU response to the political and migratory crisis in **Venezuela** by supporting conflict-prevention efforts between Venezuelan nationals relocated in northern Brazil (Roraima and Amazonas) and the border areas of Colombia and local communities. These actions focused on the prevention of sexual and gender-based violence and the supply of basic services, promoting peaceful coexistence and fighting xenophobia through communication campaigns and other information activities. The IcSP also supported actions with the aim of generating conditions for a peaceful end to the conflict by increasing cohesion among the various political actors and preparing a structured format for any future negotiations.

In **Nicaragua**, the IcSP supported international tools to monitor and supervise possible human rights violations during the confrontations that took place in 2018. The IcSP also supported domestic human rights organisations in their effort to assist victims of political repression.

3.2.2. The Caribbean

3.2.2.1. Introduction (policy developments)

In 2018, preparations for the Caribbean dimension of the post-Cotonou framework were made. Negotiations for a new Partnership Agreement with ACP states were launched in July, and the first round was completed in December. In this context, informal consultations with the Caribbean countries on the future of EU–Caribbean relations continued, and members agreed that the new agreement, to be negotiated early in 2019, would include both a common part and regional components.

A series of meetings between the EU and its Caribbean partners further enhanced relations. The first EU–Cuba ministerial-level joint council under the new PDCA (Political Dialogue and Cooperation Agreement), co-chaired by HR/VP Mogherini, took place in Brussels in July, laying the ground for continued cooperation. An EU–Cariforum ministerial meeting, also co-chaired by HR/VP Mogherini, was held in July in Brussels, contributing to ever closer EU–Caribbean links. Senior-level EU–Cariforum political dialogue took place in Saint Lucia on 21 November 2018. The fourth meeting of the EU–Cariforum Joint Strategy Working Group was held on 16 May 2018 in Brussels.

The year was also marked by continuation of the response to the devastating effects of hurricanes Irma and Maria in several countries and territories of the region. This was based on a ‘Linking relief, rehabilitation and development’ approach and backed by an overall assistance package of EUR 300 million.

In **Cuba**, the top leadership of the country was renewed when former President Castro stepped down at the end of his mandate, as promised.

EU cooperation with **Haiti** continued to receive attention throughout 2018. As the only LDC remaining in the Caribbean, Haiti is the largest recipient of EU assistance (the EDF 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 2018, the Commission continued implementation of the joint response plan to support the government's rehabilitation efforts in the wake of hurricane Matthew in 2016. Despite some positive developments, the root causes of political instability remain unchanged, and significant structural reforms (electoral system, constitution and judiciary), together with reinforcing the fight against corruption, remain necessary and urgent.

In 2018, cooperation on tax good governance and on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) remained high on the agenda to ensure compliance, avoid listing and ensuring de-listing.

3.2.2.2. Working better together, development effectiveness and partner coordination

The Secretariat for the Caribbean Community (Caricom) is the main body for the Caribbean Member States that coordinates international, regional and national institutions in achieving the objectives on aid effectiveness. In 2018, the EU participated in several steering committee meetings, technical task forces and technical committees to help enhance sector coordination at regional level.

In the eastern Caribbean, partner coordination is mainly organised through the Eastern Caribbean Development Partners Group, which is the UN-led coordination mechanism.

Strong regional coordination is taking place in the area of renewable energy, climate change and disaster risk management. On energy, the start of operations of the Caribbean Centre for Renewable Energy and Energy Efficiency triggered funding from the EU, EU Member States and the UN Industrial Development Organization. On climate change, the Caribbean Community Climate Change Centre and the Organisation for Eastern Caribbean States were the main drivers of exchanges. The Caribbean Disaster Emergency Management Agency facilitated dialogue with the contributors during the hurricane season. Focused on the National Resilience Strategy and the Climate Resilient Execution Agency, coordination was equally important in **Dominica** for reconstruction after hurricane Maria.

The joint programming processes in the Caribbean were stalled by the particular condition of the SIDS, the political situation and natural catastrophes. The EU, France, Germany and Spain have agreed on a roadmap for building their joint development cooperation for **Haiti**. There is commitment to re-engage discussions, including with Switzerland, on bringing a coordinated European response to the multiple challenges faced in the country.

3.2.2.3. Working towards the SDGs

The Caribbean countries are typically small economies with limited resources and capacity. Overall, the countries in the region registered progress in meeting the SDGs. However, given that some of the goals are not always a priority in budget allocation, a more integrated approach is needed to

make progress in, for example: SDG 9 Industry, innovation and infrastructure; SDG 12 Responsible consumption and production; and SDG 16 Peace, justice and strong institutions.

The EU, through bilateral and regional programmes, helps partner countries achieve results in areas of particular importance for the region, such as the green economy, climate change and sustainable energy. The Caribbean subregion is one of the most vulnerable worldwide when it comes to climate change and its impacts, including frequent natural disasters.

A good example is the budget support provided on renewable energy in Barbados, Dominica and Saint Kitts and Nevis. Joint analysis of progress included indicators and targets under the SDGs. EU support has contributed to achieving targets on access to energy and CO₂ emissions (SDGs 7, 13). Since 2012, more than EUR 62.2 million has been provided through the Caribbean Investment Facility (CIF) on renewable energy, mobilising a total investment of EUR 779 million.

The devastation caused by hurricanes Irma and Maria has triggered efforts to improve the resilience of infrastructure to such events. ‘Resilience’ is a common theme in the policy dialogue with almost all of the Caribbean countries and overseas countries and territories (OCTs – see Chapter 3.6) and is included in individual country strategies across the region. The ‘Build back better’ approach is at the core of EU cooperation in the region and was the basis for the additional EUR 300 million that the EU allocated after hurricanes Irma and Maria to support humanitarian assistance, recovery and reconstruction and long-term resilience building. The main SDGs targeted have been 6, 7, 9, 11 and 13.

The region has marked progress towards the SDGs related to climate change (SDGs 12, 13, 14, 15) with the implementation of the regional climate change strategic framework and the overarching strategic plan for the Caribbean Community 2015–2019. These initiatives are supported through the regional programmes, both for the OCTs and the Caribbean countries.

As for gender, the Caribbean still faces significant inequality and serious levels of domestic violence. The EU is highly engaged through dialogue and the promotion of women in non-traditional roles. This has been the case in Guyana, where women’s engagement in science, technology, engineering and mathematics careers has been promoted within the Sea Defence Budget Support.

3.2.2.4. Implementation

Bilateral implementation, including budget support

In 2018, implementation of the Humanitarian–Development Nexus to help the region cope with the aftermath of hurricanes Irma and Maria was key to restoring people’s livelihoods and infrastructure. One year after the hurricanes, the EU pledge (EUR 300 million) has mobilised a range of tools, resources and services to stimulate reconstruction and facilitate recovery.

Building upon the Commission’s relief intervention, programmes for reducing structural vulnerability have been put in place in **Anguilla, Antigua and Barbuda, British Virgin Islands, Cuba, Dominica, Montserrat, Saint Kitts and Nevis** and **Saint Martin**. Funds were mobilised (EUR 8.6 million) under the Shock Absorption Mechanism to support economic and social recovery in **Dominica**. Three new operations of the CIF have been committed to enable Caribbean economic infrastructure and the fragile coastal ecosystems to withstand recurrent extreme natural events. The operations concern housing and reconstruction in the **Dominican Republic**, renewable energy and energy efficiency in

Barbados and sustainable agriculture and competitiveness in **Suriname**. The ‘Global public goods and challenges’ programme has been instrumental in complementing the reconstruction efforts and building resilience in countries such as **Cuba**, the **Dominican Republic**, **Haiti** and **Trinidad and Tobago**.

Support has been provided on environment and climate change, renewable energy and energy efficiency in **Belize** (EUR 14 million), **Dominica** (EUR 2.62 million) and **Saint Kitts and Nevis** (EUR 5 million) as well as **Barbados**, **Cuba**, **Guyana**, **Jamaica**, **Saba** and **St Eustatius** (around EUR 95 million altogether). In **Cuba**, a new programme of EUR 20 million has been put in place in the area of sustainable agriculture. The programme will help the government make agriculture more resilient to climate change and, ultimately, reduce dependency on imported food. In the **Dominican Republic**, funds have been allocated in support of public finance management (EUR 21.25 million). A new budget support programme was launched in **Montserrat** to support growth. The budget support programmes in the education sector in **Anguilla** and **Turks and Caicos** were topped up after the 2017 hurricanes.

[Regional cooperation including CBC overview](#)

At regional level, recovery from the hurricanes has been seen as an opportunity to mainstream resilience in all sectors of the economy against the increased occurrences and impacts of natural disasters. The EU has continued strengthening Caribbean regional cooperation with the adoption of seven new programmes under the Caribbean Regional Indicative Programme, including Caribbean Investment Fund contributions (EUR 160 million). Nine interventions are being implemented to enhance regional economic integration, climate change and disaster risk management and to improve citizen security and border management.

Two programmes were launched to enhance preparedness for and reduce risk from disaster and to strengthen capacity in the Caribbean to withstand recurrent natural disasters: the ‘Caribbean regional resilience building facility’ (EUR 27.7 million) programme and the OCTs regional programme for ‘Resilience, sustainable energy and marine biodiversity’ (EUR 40 million).

Case studies

EU CIF

Context

The EU CIF, launched in 2012, has a total budget of EUR 135 million under the 11th EDF Caribbean Regional Programme.

Objectives

The objective is to contribute to regional integration, economic growth and poverty reduction in the region through mobilisation of financial resources for investment projects in strategic infrastructure and for the development of SMEs.

Impact

By the end of 2018, the CIF has contributed to six operations with total grants of EUR 58 million, triggering EUR 595 million of investment from international financial institutions and other investors and representing a global leverage ratio of EUR 10.3 of investments per EUR 1 of CIF contribution.

A major advantage of the CIF is that it lowers borrowing costs for the Caribbean islands, most of which do not qualify for concessional funding due to their current middle–high income status. The CIF has thus enabled significant investment operations in Barbados, the Dominican Republic, Jamaica and Suriname in sectors that are key for deepening the economic, social and territorial cohesion of the Caribbean region.

Energy is the sector that has benefited most from CIF support, which contributed to steering EU climate change actions and moving closer towards the goals of the Paris Agreement in terms of clean energy and greenhouse gas emissions in the Caribbean region. In Jamaica, the retrofitting of public hospital buildings is providing annual savings of EUR 2 million and 8 900 tonnes of CO₂ emissions. The facility enabled the development and use of clean energies through a regional geothermal project in the islands of Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

Another example is the support provided to the Dominican Republic after the devastation by hurricane Matthew to cope with early recovery, reconstruction and the improvement of livelihoods. More than 1 million people affected by the hurricane will have access to essential services (markets, hospitals and schools), and more than 6 000 people – displaced or living in the most vulnerable situations – will be provided with housing.

The huge development potential of CIF investment projects in the Caribbean makes it a valuable tool to be expanded in the future.

Support for economic modernisation in Cuba

Context

Since Castro took power in 2008, the Cuban government has embarked on economic and social reforms. The framework for that process has been the *lineamientos* adopted in 2011 and updated in 2016. EU support for achieving the objectives of the *lineamientos* and the National Development Plan is articulated through the ‘Support to economic modernisation’ instrument, an innovative programme based on collaboration.

After the first programme started in 2014, 'Support to economic modernisation' in Cuba was expanded with a follow-up version in January 2017. This second phase had an initial budget of EUR 7.9 million, including a contribution of EUR 225 000 from Cuba. The programme was a success, and the budget was subsequently increased to EUR 10.2 million.

Objectives

The main objectives are to complement the ongoing process of economic modernisation in Cuba with the sharing of best practices and the implementation of measures for modernising public administration in areas of mutual interest.

At the request of Cuban institutions, the second phase of the programme will focus on the following:

- fiscal policy,
- statistics,
- local and urban development,
- economic planning and modelling,
- production chains,
- business development,
- foreign trade,
- pharma-economy,
- foreign investment.

Impact

This programme allows for the exchange of EU experts or officials and Cuban public administrations to support the ongoing socioeconomic modernisation process, forge alliances between the technicians of the respective public functions and produce positive results for development. It has been improving the effectiveness and equity of the tax collection process (including the extension to different provinces of the Integrated Management System for Fiscal Administration) and the quality of information provided to citizens (through the set-up of an interactive web application). It has also been promoting the use of modern management methods.

The key factors in the programme's success have been:

- the ownership and piloting by Cuban institutions;
- a high degree of flexibility, enabling rapid adaptation and response to new emerging scenarios;
- quality standards, ensured by optimal use of the resources invested by the different actors.

3.2.2.5. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

Haiti food crisis

Haiti faced critical food and nutritional insecurity in 2018 with more than 1.3 million people in acute food crisis. The food situation of the most vulnerable households was particularly worrying in the areas stricken by hurricanes Matthew and Irma. Prevalence of acute malnutrition among children under the age of five remained high through the year. In 2018, the EU provided humanitarian assistance amounting to EUR 15.6 million in response to acute food insecurity and to the earthquake and to better prepare for other natural disasters. As result of this action, the EU covered the food and nutrition needs of some 165 000 people, around 15 000 of whom were provided with non-food items following the earthquake. Some 20 000 people have benefited from disaster-related initiatives such as water, sanitation and hygiene preparedness, rapid-response capacities, disaster-resistant shelter building and drought preparedness.

3.2.2.6. Crisis response and preparedness

In the Caribbean, the IcSP remained engaged in the tensions at the border between **Haiti** and the **Dominican Republic**. As the migratory crisis fuels tensions between the two countries, the IcSP action is supporting a set of interconnected community-oriented and rights-based interventions for at-risk populations in both countries.

3.3. Asia, Central Asia, Middle East/Gulf and Pacific

3.3.1. Asia

3.3.1.1. Introduction: Policy developments

On 19 September, the HR/VP and the Commission adopted a Joint Communication on Europe–Asia connectivity that sets out the EU’s vision for a new and comprehensive strategy to better connect the two continents. With sustainable, comprehensive rules-based connectivity at its core, the Communication will help to guide EU external action in this field and is part of the implementation of its Global Strategy.

The eighth ASEM Summit was held on 18–19 October in Brussels, where the ASEM leaders adopted a shorter, more focused statement covering central themes under ASEM’s three-pillar structure: i) political, ii) economic, and iii) social–cultural and connectivity.

A new **EU–Pakistan Strategic Engagement Plan (SEP)** is expected to succeed the Five-Year Engagement Plan for 2012–2017. The SEP aims to strengthen 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;
- science and technology.

The SEP is expected to be signed and launched at the next EU–Pakistan Strategic Dialogue.

The Council adopted Foreign Affairs Council conclusions on **Afghanistan** in November 2018, reconfirming the long-term commitment of the EU and Member States to promoting peace, stability and prosperity in Afghanistan and to support its sustainable development. The first EU–Afghanistan Joint Committee took place in February 2018. At the Geneva Ministerial Conference on Afghanistan in November, the HR/VP made a five-point offer to support peace in Afghanistan.

The 20th **EU–China Summit** took place in Beijing on 16 July 2018. It was a successful summit with in-depth exchanges on a wide spectrum of issues. It delivered a strong message of joint support for multilateralism and the rules-based international trading system. A wide-ranging and substantive Joint Statement was adopted, with concrete points on foreign policy and security issues, trade and investment and global challenges as well as an extensive annex on climate change and clean energy cooperation, supporting the implementation of the Paris Agreement.

On 20 November, the HR/VP and the Commission adopted a Joint Communication that sets out the EU’s vision for a strategy to strengthen cooperation and partnership with **India**. The Foreign Affairs Council endorsed the Joint Communication in December.

EU–ASEAN relations continued to advance, building on the 40th anniversary of the establishment of official relations in 2017. In August, HR/VP Mogherini attended the annual ASEAN–EU Post-Ministerial Conference with ASEAN foreign ministers in Singapore. She also participated in the 24th ASEAN Regional Forum. The informal EU–ASEAN Leaders Meeting, the first since 2014, took place in October in Brussels, demonstrating the strong common interest in deepening EU–ASEAN cooperation and building on increasingly successful economic relations towards a reinforced partnership encompassing a broad agenda on connectivity and security.

In 2018, the Foreign Affairs Council adopted conclusions on **Myanmar** on 28 February and 10 December with a focus on key issues such as access for humanitarian aid, cooperation with all relevant UN mandates, ending violence and the need to address the root causes of the crisis and to prepare conditions for safe, voluntary, dignified and sustainable return of Rohingya refugees from Bangladesh to their places of origin.

In February 2018, the Foreign Affairs Council adopted conclusions on **Cambodia** in which it expressed concerns about political developments in the country and the continuing deterioration of democracy, respect for human rights and the rule of law.

The EU signed three important agreements with **Singapore** in 2018, notably the Partnership and Cooperation Agreement, the Free Trade Agreement (FTA) and the Investment Protection Agreement. These agreements will significantly upgrade the bilateral EU–Singapore relationship and further strengthen the EU presence in south-east Asia.

Moreover, in 2018 the EU signed the FLEGT Voluntary Partnership Agreement with **Vietnam**.

The **EU–Japan Summit** in July saw the signing of the EU–Japan SPA as well as the ambitious Economic Partnership Agreement. This paved the way for closer political cooperation based on

shared values, human rights, democracy and rule of law as well as implementation of the most ambitious free trade deal that the EU has concluded, as of December 2018.

The EU political agreements with **Australia** (the EU–Australia Framework Agreement) and **New Zealand** (the EU–New Zealand Partnership Agreement for Relations and Cooperation) started being applied provisionally. The negotiations on FTAs were also launched with both countries in 2018.

3.3.1.2. Working better together, development effectiveness and partner coordination

The European Commission has made considerable contributions to the drafting of the EU's strategy to better connect Europe and **Asia**, promoting a European concept of sustainable, comprehensive and rules-based connectivity that contributes to prosperity, safety and resilience of people and societies in Europe and Asia. The strategy covers transport, energy, digital and people-to-people dimensions, and it outlines an implementation approach that aims to improve networks, strengthen partnerships and sustain financing for investment.

New regional programmes adopted in 2018 with the World Bank, the IMF, the OECD and Unicef provide tools, platforms and technical assistance for delegations to complement their bilateral programmes and substantive capacities with initiatives in key cross-cutting areas. In the ASEAN region, the new Enhanced Regional EU–ASEAN Dialogue Instrument (E-READI) has already played an important role in enhancing the coherence and impact of EU policy engagement with ASEAN in several priority areas. Four dialogue streams have been launched as part of the programme, in collaboration with other Commission services, covering circular economy, natural capital, clean energy and fisheries.

In an effort to boost the EU's capacity to engage in substantive policy dialogue and enhance relations with partner countries in the region, several new programmes were adopted in 2018 in countries that are no longer eligible for bilateral development cooperation. These include activities based on triangular cooperation and collaboration through the Partnerships and Policy Dialogue Facility.

Major progress has been made in engaging with **China**, with Commissioner Mimica being the first European political representative to meet with the Chairperson of the newly formed China International Development Cooperation Agency. With **India**, the groundwork has been laid to resume the EU–India development partnership within the context of the 2030 Agenda ahead of the Director-General's visit, planned for January 2019.

Throughout Asia, budget support continued to be the preferred aid modality in 2018. Budget support enables intensified policy dialogue accompanied by capacity-building support, while being fully in line with aid effectiveness principles that promote country ownership and the use of domestic systems. The EU works with other partners to engage with governments in the region.

In 2018, the European Commission also continued to support investments through blending and other measures (such as capacity building and policy dialogue). These efforts continue to position the Commission as a catalyst for investments in the field of climate change and the environment, SME development and social infrastructure. The Commission is also exploring ways to foster investments in fragile states such as **Afghanistan** and **Iraq**. To increase engagement with the private sector in search of investment vehicles with a development impact, the Commission has also

approached investment fund managers and European development finance institutions such as Proparco and Cofides.

In the Asian countries in which the European Commission has bilateral development cooperation programmes, different levels (global, regional, sectoral, government-led or not, European) of partner coordination have been established to ensure aid effectiveness. More integrated and effective European cooperation is in place in **Cambodia** ⁽⁹⁶⁾ and **Laos** ⁽⁹⁷⁾, where development counsellors of the EU and the Member States, together with Switzerland, meet regularly on the basis of their Joint Programming Documents. In addition, the European group in **Nepal** agreed on a joint analysis of the European development cooperation approach. For the next programming period, joint programming should also be (re)considered for **Myanmar**, the **Philippines** and **Vietnam**, as well as in **south Asia** (Afghanistan, Bangladesh and Pakistan).

3.3.1.3. Working towards the SDGs

The SDGs continued to be at the heart of the European Commission's initiatives in the region.

In the Communication on Migration adopted by the Commission in June 2016 ⁽⁹⁸⁾, **Afghanistan**, **Bangladesh**, **Iraq** and **Pakistan** were identified as priority countries. EU development cooperation in these countries includes a strategic focus on sectors that provide a balanced approach, targeting poverty and inclusive growth, thereby addressing root causes of fragility and migration. Examples are job creation through PSD, income generation, community development projects and TVET.

The Commission further contributed to GAP II, including delivering on the gender top-ups established for **Afghanistan** and **Myanmar**, effectively mainstreaming gender equality in 2018 for the Asia–Pacific region, following up on the Spotlight Initiative and systematically addressing gender equality in the framework of its growing budget support portfolio.

In 2018, the Partnership Instrument continues to contribute to EU action by articulating and implementing the external dimension of internal policies and connecting different policy areas. Actions in Asia at bilateral and regional levels support work towards different SDGs. They cover challenges of global concern, such as climate change and environmental protection, and 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 SMEs) and public diplomacy. In the framework of the Partnership Instrument, several projects contribute to the achievement of various SDGs.

3.3.1.4. Implementation

In south Asia, a number of new projects related to education, justice reform, parliamentary reform, public financial management, sustainable livelihoods and rural development were adopted, all aligned with national priorities.

For **Afghanistan**, the Ministerial Conference of November 2018 in Geneva was an important stocktaking exercise. Commissioner Mimica and Afghan Minister of Finance Quayoumi signed

⁹⁶ The participating members in the European Development Cooperation Strategy for Cambodia are the EU, Belgium, Czechia, Finland, France, Germany, Ireland, Italy, Sweden, Switzerland and the United Kingdom.

⁹⁷ The participating members in European joint programming for Lao People's Democratic Republic are the EU, Finland, France, Germany, Hungary, Ireland, Luxembourg, Switzerland and the United Kingdom.

⁹⁸ COM(2016) 385 final, 07.06.2016.

financing agreements for four programmes worth EUR 465 million adopted in 2018 to support elections, police reform, health and nutrition services and a second budget support operation in the form of a State and Resilience Building Contract (SRBC), which enables sustainable and predictable implementation of reforms by the Afghan government and enhanced dialogue with the EU.

Regarding migration, the Commission has developed a major operation to improve the reintegration of returnees in **Afghanistan, Bangladesh** and **Pakistan** by mobilising approximately EUR 92 million for the period 2016–2020. Following an additional commitment of EUR 196 million in 2017 under the ‘Addressing migration and forced displacement challenges in Asia and the Middle East: A comprehensive regional EU response’ programme, efforts in 2018 concentrated on the implementation of these funds, with EUR 250 million contracted and most projects reaching substantial annual targets and achievements. In **Bangladesh**, a new EUR 15 million project was adopted and signed with Unicef, following on from the 2017 EU pledge to support Rohingya refugees.

In south-east Asia, large bilateral development cooperation programmes are in place in **Cambodia, Laos, Myanmar**, the **Philippines** and **Vietnam** to support job creation, agriculture/nutrition, resilience against climate change, sustainable energy, investments in education, good governance and peacebuilding.

The AIF contributes to the realisation of projects aiming to improve connectivity, reduce unemployment and poverty and to help partner economies advance in sustainable and resilient ways. The overall objective is promotion of SDG-related investments through the leverage of funds from public and private investors. In 2018, six projects (EUR 43.60 million) covering **Cambodia, China, India, Myanmar** and **Vietnam** were approved for grant financing, with the AFD acting as main implementing partner.

3.3.1.5. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

Rohingya crisis

In 2018, the EU substantially scaled up the humanitarian response to the Rohingya crisis in Bangladesh. Following the massive displacement from Rakhine State in Myanmar of August 2017, more than EUR 40 million were granted through the EU budget to provide protection, food assistance, health services and water and sanitation facilities to one million Rohingya and host communities in the Cox’s Bazar region in Bangladesh. In addition, the EU opened an office in Cox’s Bazar with a team of humanitarian experts to facilitate the provision of relief assistance to those in need.

Bhutan Disaster Risk Reduction

In 2018, the EU provided humanitarian assistance amounting to EUR 2 million to help Bhutan better prepare for natural disasters. Bhutan achieved astonishing results with this contribution, thanks also to the high level of ownership shown by the government. Disaster management and contingency plans were integrated at all levels of the education system through training manuals, interactive teaching and learning materials for school safety, including for schools with special education needs programmes and monastic institutions. As a result, children, their parents and extended families are

now better prepared for disasters. Disaster risk reduction is now an integral part of the new teacher curriculum.

3.3.1.6. Crisis response and preparedness

In 2018, the IcSP played a part in responses to the most acute crises in Asia, including Afghanistan and the Rohingya crisis, and continued to be engaged in conflict prevention and peacebuilding in places at risk of instability.

In **Afghanistan**, three crucial actions started in 2018, focusing on the peace process between the government and the armed group Hezb-i-Islami as well as police reform and the electoral process. The Afghanistan Peace Support Initiative is supporting an inclusive Afghan-led and -owned peace process by facilitating progress in the peace agreement between the Government of the Islamic Republic of Afghanistan and Hezb-i-Islami, promoting it as a model for agreements with other armed groups. Building on the experiences and lessons learned from the former EU Police mission, the police reform action enables the Afghan National Police to perform its tasks more effectively and efficiently, specifically in its civilian policing mandate with the aim of supporting a government-owned agenda for institutional reform and professionalisation. Another action focuses on sustainability and electoral integrity in Afghanistan in the context of elections in 2018 and 2019. The IcSP also continues to support women's active and meaningful participation in local, provincial and national peace processes, encouraging a culture of peace at both national and local levels.

New actions made operational under the IcSP crisis response component in Asia during 2018 also include two initiatives related to the Rohingya crisis. A first action supports registration of the Rohingya population in Bangladesh and catering for their immediate needs while also helping them prepare to return to Myanmar once conditions are met. A second action, also implemented in Bangladesh, focuses on young people as agents of change for peace in Rohingya refugee camps.

With experience gained from important IcSP activity since 2010, the EU has become a key actor in supporting the peace process in the **Philippines**. New initiatives were launched in 2018 to monitor implementation of the ceasefire and peace process agreements.

A new programme is also pursuing peacebuilding efforts in **Kashmir** through the promotion of Cross-Line of Control confidence-building measures and political dialogue. It will encourage political actors in New Delhi and Islamabad to re-engage over Kashmir and provide them with insights about Kashmiri perspectives on the key sociopolitical issues where concrete outcomes are viable.

In addition, in 2018 the IcSP continued implementation of two actions in **Pakistan**, one providing support to returnees and their communities in the Federally Administered Tribal Areas and the other focusing on strengthening the capacities of the established federal and Khyber Pakhtunkhwa provincial counterterrorism and criminal justice institutions. By supporting establishment of a credible peace architecture, the latter action also has a role in the long-standing conflict situation in southern Thailand.

3.3.2. Central Asia

3.3.2.1. Introduction: Policy developments

The year 2018 witnessed a fast-changing dynamic in Central Asia, driven by political and economic reform in **Uzbekistan**. The new momentum in regional cooperation was illustrated by the Astana informal Summit of Central Asian leaders on 15 March. In August, a Summit of the International Fund for Saving the Aral Sea took place in Turkmenistan and the Convention on the Legal Status of the Caspian Sea was signed in Kazakhstan. Development of connectivity initiatives in the region was high on the agenda and created new challenges, but also opportunities. Central Asian countries also displayed a more active interest towards **Afghanistan**, as demonstrated in March at the Tashkent Conference chaired by HR/VP Mogherini and reiterated during the Geneva Conference on Afghanistan in November. The annual EU–Central Asia High-Level Political and Security Dialogue was organised in Turkmenistan in July, and the annual EU–Central Asia Ministerial Meeting took place in Brussels in November.

In 2018, the region continued to recover from the previous fall of raw material prices and economic slowdowns in **Russia** and **China**. Remittances from migrant workers increased again. Enhanced CBC and facilitation measures led to an upturn in regional trade and people-to-people exchanges. The Roghun hydropower dam started its initial operations in **Tajikistan** with water, energy and environmental issues remaining sensitive and a potential trigger for instability. The EU led the way in preparations for the remediation of uranium legacy sites in **Kyrgyzstan**, **Tajikistan** and **Uzbekistan**. Security concerns include the potential return of Central Asian fighters and their families from the Middle East and continued instability in **Afghanistan**.

The EU is seen by its Central Asian partners as a global standard-setter and leading supporter of their reform and modernisation processes – which the EU delivers through its ODA – and the new-generation Enhanced Partnership and Cooperation Agreements (EPCAs), providing a broad platform for regulatory convergence. **Kazakhstan** signed an EPCA in 2015, and EPCA negotiations with **Uzbekistan** were launched in November 2018 as negotiations with **Kyrgyzstan** were reaching their final phase. **Tajikistan** also expressed interest in an EPCA and in becoming a beneficiary under the EU's GSP+ (Generalised System of Preferences) category. Central Asian countries have also expressed growing interest in the EU's experience of promoting sustainable connectivity as per the new EU strategy on Connecting Europe and Asia, released in October.

In 2018 the EU cooperated further with Central Asia on research and innovation with a view to tackling more effectively the region's environmental and societal challenges and enhancing people-to-people connectivity. Through the EU–Central Asia Network on Water Science and Technology, the EU promotes scientific cooperation with Central Asia and strengthens the exchange of experience and know-how in innovative solutions for water management. Central Asian universities and research organisations benefit from researcher mobility through the Horizon 2020 Marie Skłodowska-Curie actions, as well as cooperating in research and innovation projects in the areas of health, research infrastructure and migration.

Throughout 2018, in regional and bilateral dialogue formats, the EU has been confirming its interest in stepping up engagement with Central Asia so that the region develops as a peaceful, resilient, prosperous and more closely interconnected economic and political space. In 2018, the EU launched

wide-ranging consultations on a new strategy on Central Asia to update the original strategy dating from 2007.

3.3.2.2. Working better together, development effectiveness and partner coordination

As regards Central Asia, the relaxation of political and economic restrictions, as well as the constructive regional dialogue following the recent changes in **Uzbekistan**, continued in 2018. The Commission stepped up its dialogue with the latter to initiate its first budget support programme, expected for 2019, and a trade programme aimed at supporting Uzbekistan's accession to the WTO.

In June 2018 the EU's profile as a key development partner for the region was given a boost as a result of Commissioner Mimica's mission to **Tajikistan**, where he attended the International High-Level Conference on International Decade for Action, 'Water for Sustainable Development', and discussed ways of improving the macroeconomic situation.

The 14th EU–Central Asia Foreign Affairs Ministerial Meeting took place in Brussels in November 2018, and both HR/VP Mogherini and Deputy Director-General K. Doens from the European Commission attended. At this meeting, Central Asian countries confirmed their continued interest in further enhancing regional cooperation and engagement with the international community on key development issues.

3.3.2.3. Working towards the SDGs

SDGs are being addressed in the region through bilateral and regional programmes. The Commission increased its efforts to tackle climate change in the region and supported the water and energy sectors, livestock development and education reform, including women's education. It also contributed to peace, stability and economic development.

3.3.2.4. Implementation

The Commission has increased its efforts to tackle climate change in the region. This includes adopting a new EUR 47 million programme to promote SCP (Switch Asia and Central Asia). Through this programme, the existing Switch Asia engagement is being extended to Central Asia, while the overall programme structure has been revised into a more coherent and mutually reinforcing approach with a focus on consolidating policy dialogue and leveraging additional investments.

New bilateral programmes were also adopted for **Uzbekistan** and **Kyrgyzstan**. Livestock development is supported with EUR 15 million in Uzbekistan while EUR 10 million is allocated for improved public service delivery in rural areas. Concerning budget support, education reform in Kyrgyzstan is to be boosted by EUR 11.66 million.

Under the Regional Indicative Programme for Central Asia, four new programmes totalling EUR 88 million were adopted in 2018. The EU supports regional cooperation among Central Asian countries in key areas such as water, environment and climate change, disaster risk reduction, and border management.

Positive dynamics in the regional cooperation between Central Asia and **Afghanistan** are an important element contributing to peace, stability and economic development. A number of EU-financed projects, such as 'Advancing Afghan Trade' or the cross-border 'Afghanistan–Tajikistan project on supporting cooperation and opportunities for regional economic development', have

contributed in 2018 to strengthening such cooperation. Afghanistan will also be involved in the next phase of the 'Border management in Central Asia' project, under preparation as of December 2018. A project promoting trilateral cooperation on education for Afghan women in Kazakhstan and Uzbekistan is being designed in 2018.

Central Asia benefits from EU investment contributions of around EUR 30 million for bilateral projects, mainly through the Investment Facility for Central Asia (IFCA). Support focuses on the energy and water sectors. The EBRD is the most important partner, benefiting from nearly 90 % of the value of signed contracts.

3.3.2.5. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

Afghanistan's protracted crisis

As the Afghan conflict goes into its 17th year, Afghan people face multiple humanitarian challenges with an increasing number of civilian casualties, protracted displacement and the destruction of the already poor infrastructure for basic services. In addition, the country is suffering a severe drought for the fifth year in a row. As a result, some 600 000 people have been displaced internally and are in need of humanitarian assistance. More than 13 million people face a situation of food insecurity. About 850 000 deportees came back from Iran and Pakistan in 2018, many of them with nowhere to go and in need of assistance.

Despite the shrinking humanitarian space and very challenging security conditions, the EU continued to provide life-saving assistance in Afghanistan, especially in the most remote and underserved areas. A total of EUR 46 million was granted through the EU budget for relief operations. As a result of this action, the EU provided nutritional aid and food assistance to approximately 1.5 million beneficiaries. More than two million beneficiaries received water, sanitation and health support. At least 25 000 deportees from Iran received direct support upon their arrival in Afghanistan.

3.3.2.6. Crisis response and preparedness

The IcSP continues to contribute to regional stability in Central Asia and, in particular, support actions intended to counter terrorism and violent extremism, to prevent conflict over natural resources and to help youth in post-conflict areas. While no new initiatives were announced in 2018, the implementation of programmes at regional and country levels continues.

On a regional basis, the IcSP is supporting professional, conflict-sensitive reporting among journalists in Central Asia. This programme strengthens critical thinking among young men and women through visualisation of the stories of people affected by destructive radical and extremist narratives and deeds, explaining in various innovative media formats the vulnerability to and consequences of violent extremism and radicalisation as well as the preventive measures required to address these areas.

The IcSP also provides support for judicial and social actions promoting enduring stability and peace in Central Asia. Launched in 2018, this regional action focuses on fighting discrimination and includes a strong capacity-building component for lawyers, human rights defenders and law enforcement agencies. The action also provides evidence-based research, advocacy and strategic litigation actions, free legal aid, internships and multicultural education. The action is implemented in close

coordination with the OSCE and UN agencies, notably with parallel support from the United Nations Peacebuilding Fund.

In **Kyrgyzstan**, three IcSP actions continued support for civil society initiatives that promote constructive dialogue on religion and democracy, prevent violent extremism and foster a more cohesive society.

3.3.3. Middle East/Gulf region

3.3.3.1. Introduction: Policy developments

Iraq

The EU continued its long-term support to Iraq, notably through humanitarian and resilience interventions. This resulted in enhanced support for stabilisation, including demining, reconciliation efforts and development assistance in key sectors, such as primary and secondary education and local governance. Such activities were encompassed in January 2018 by the new EU strategy for Iraq, as endorsed by Council conclusions. In February, HR/VP Mogherini co-chaired the International Conference for the Reconstruction of Iraq, held in Kuwait. On this occasion the EU pledged EUR 400 million for humanitarian, stabilisation and development assistance focusing on the human dimension of reconstruction. On 12 May, elections were held for the Council of Representatives, and the EU deployed an Election Experts Mission to Baghdad to provide independent recommendations on the electoral process. Even though the territorial defeat of Da'esh was announced in December 2017, it still remains a major threat in Iraq. With its EU Advisory Mission Iraq, launched in October 2017 and reinforced until April 2020, the EU provides strategic advice and expertise to the Iraqi authorities for the coherent implementation of the civilian dimension of the 'Iraqi SSR' programme. 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.

The GCC

The EU continued to support mediation efforts to solve the diplomatic stalemate in cooperation which developed in June 2017 between **Qatar** on the one hand and **Bahrain, Egypt, Saudi Arabia** and the **United Arab Emirates** on the other. Against this background, the EU further strengthened cooperation with the GCC Secretariat and with all GCC Member States individually.

Bilateral dialogue with **Qatar** and **Oman** led to the signature of non-legally binding cooperation arrangements between the EEAS and the respective foreign affairs ministries to increase exchange between officials and efforts to promote concrete cooperation initiatives.

Discussions with **Kuwait** focused on implementation of the Cooperation Arrangement signed in 2016, with the holding of the first Senior Officials Meeting in Brussels in November, co-chaired by EEAS Secretary-General Schmid and Deputy Minister of Foreign Affairs of the State of Kuwait Aljarallah. The meeting saw both sides engage in a strategic review of bilateral relations, and it was also an opportunity to explore areas for closer sectoral cooperation.

Yemen

As the conflict continued in Yemen, becoming the world's worst humanitarian crisis, the EU strongly backed the UN-led peace process and the work of the UN envoy. For this purpose, Council conclusions were adopted in June 2018, calling again on all parties to cease hostilities and advocating for a political solution to the crisis. Since the start of the conflict, the EU has mobilised more than EUR 314 million, is one of the main humanitarian contributors in Yemen and continues to lead advocacy efforts to ensure full humanitarian access. Furthermore, in coordination with the UN and other partners, it has convened several awareness-raising initiatives on the conflict, promoted trust building among the parties involved and formed comprehensive reflections on the future of the country.

The Stockholm Agreement in December was a substantial achievement and the result of the first political consultation among the parties since 2016. It was also the culmination of intense diplomatic efforts by the international community, notably the EU, which remains a driving force for its implementation.

3.3.3.2. Working better together, development effectiveness and partner coordination

A seminar on the 'Humanitarian and Development Nexus in Iraq and the EU response' was held in Brussels in January 2018. It focused on operationalisation of the Humanitarian–Development Nexus and was a significant step towards stronger coordination between EU services, EU Member States and key international partners. A joint follow-up workshop was held in December 2018 in Baghdad to share views with key partners and EU Member States on the humanitarian and development needs in the country, key challenges ahead and priorities for future interventions, including the future role of the EU in Iraq. A similar discussion took place in Amman in two different sessions with Member States and UN/international NGOs on Yemen. On both occasions, EU Member States welcomed this kind of exchange and expressed willingness to foster more coordinated (if not joint) EU programming.

Outreach towards Arab partners and the GCC countries has continued in 2018 with visits to and from Gulf-based international financial institutions. There is interest on both sides to find avenues for concrete partnerships in several sectors and geographic areas (mainly the Horn of Africa, Iraq, Yemen and, to a lesser extent, Asia and Central Asia). In September 2018, a technical mission was deployed to the Gulf to explore possibilities for partnerships in the greater Red Sea region. The initial feedback was positive and close follow-up is planned for 2019.

In 2018, EU collaboration with GCC countries continued in the area of research and innovation. Important activities were pursued in the context of the GCC Clean Energy Network as well as others aiming to: i) set up co-funding mechanisms in **Qatar** and **Kuwait** to support local researchers in applying to Horizon 2020 calls, and ii) improve reciprocal access to third-country research programmes (e.g. those of the Qatar Foundation).

3.3.3.3. Working towards the SDGs

The Commission's activities in the region comprise a series of multi-sector and multi-stakeholder measures focusing on enhancing food security, improving livelihoods, creating jobs and improving

access to economic opportunities, integrating service delivery and building capacity on sustainable migration policies and management.

3.3.3.4. Implementation

In response to the challenges in Iraq's recent past, the European Commission pledged an additional EUR 400 million at the Reconstruction for Iraq conference held in Kuwait in February 2018. This pledge is intended for humanitarian, stabilisation and development assistance to support the human dimension of reconstruction. The package includes:

- continued support for management of explosive hazards and demining activities in most conflict-affected areas;
- assistance to help recovery and stability through local development;
- interventions aiming to promote sustainable job creation.

With an ongoing envelope of EUR 244 million, the EU is among the leading development contributors in Yemen. So far, the Commission's sizeable development assistance has supported the resilience of the Yemeni population and helped prevent state institutions from collapsing. This approach was reinforced in 2018 with the adoption of a new set of measures aiming to preserve the social fabric, increase livelihood opportunities and improve food and nutrition security. Of a total EUR 244 million, EUR 71 million was committed for these measures.

3.3.3.5. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

The **Syria conflict**, in its eighth year in 2018, continued to cause mass displacement, casualties and tremendous suffering among the civilian population, with more than 13 million people in need of humanitarian assistance inside the country.

The conflict is characterised by indiscriminate use of weapons in densely populated areas, besiegement and starvation of populations, deliberate targeting of civilians and civilian infrastructure as well as humanitarian aid workers, sexual and gender-based violence, forced displacements, arbitrary arrests and forced detention, summary executions, widespread contamination of explosive remnants of war, recruitment and use of child soldiers and severe restrictions of humanitarian access.

The Commission continued to deliver life-saving assistance and support to millions of people throughout the country from all humanitarian hubs, including across conflict lines and international border crossings. This assistance contributed to the vital delivery of food, medicine, water and shelter items for millions of Syrians directly affected and/or internally displaced by the conflict. In neighbouring **Lebanon**, EU humanitarian funding has contributed to cash assistance for the most vulnerable refugees, secondary healthcare for life-saving cases, non-formal education and shelter – including water, hygiene and sanitation – to improve the living conditions of the vulnerable families most affected by displacement. In **Egypt, Jordan, Lebanon and Turkey**, the Commission supports the most vulnerable refugees through, among other things, cash assistance, as this is considered the most cost-efficient and dignified mode of delivery. In 2018, and in accordance with the commitments of the second Brussels Conference on Supporting Syria and the Region, the EU

committed EUR 260 million to support Syrians both inside the country and in neighbouring countries (in addition to contributions through the EU Facility for Refugees in Turkey).

For most of 2018, the situation in **Yemen** remained characterised by ongoing conflict, directly affecting civilians and with blatant violations of international humanitarian law. Yemen is the largest humanitarian crisis worldwide (Humanitarian System-Wide Emergency – Level 3 crisis) ⁽⁹⁹⁾. At the end of 2018, according to the UN, 22.2 million people are in need of humanitarian and/or protection assistance. The conflict and its disproportionate economic consequences on civilians are driving the largest food security emergency in the world. As of December 2018, 20 million people are food-insecure, 9.6 million of whom are one step away from famine.

During 2018, the Commission made significant efforts to scale up its response to the Yemen crisis, both in the north and the south of the country, reaching a total allocation of EUR 127.5 million. With these funds, the Commission supports life-saving interventions to conflict-affected populations and to people suffering from food insecurity, poor nutrition and ill health. Protection, logistics, education in emergency and advocacy are mainstreamed or supported by stand-alone projects. Over 14 million vulnerable people have been reached through this assistance.

In **Iraq**, where the large-scale military campaign has ended and ISIS is defeated territorially, humanitarian assistance remains crucial to assist the most vulnerable people in retaken areas as well as those displaced and in detention. As of December 2018, there are still limited investments in areas of return with recovery and rehabilitation activities. The UN estimates that as many as 6.7 million people are still in need of humanitarian aid and over 1.8 million are internally displaced (in addition to 252 000 Syrian refugees) ⁽¹⁰⁰⁾. A total of EUR 40 million has been committed for humanitarian assistance in Iraq. At the same time, Commission services and contributors are working in the framework of the Humanitarian–Development Nexus to support more sustainable solutions for the livelihoods of war-affected populations.

In **Palestine**, the humanitarian situation deteriorated further during the year, particularly in Gaza, where two million people continue to live in an enclave with limited access to essential services having been badly affected by the consequences of the Great March of Return. The Commission's support focused mostly on strengthening the health sector, which was overburdened by the thousands of injuries, in particular gunshot wounds. In the West Bank, the Commission continues to protect the most vulnerable people (approximately 8 000) living in a coercive environment and who are at risk of forcible displacement.

3.3.3.6. Crisis response and preparedness

With EUR 33 million allocated in 2018 under the IcSP, the **Syria crisis** has constituted a priority for stabilisation engagement with exceptional assistance measures conducted both inside Syria and the neighbouring countries affected by the conflict. In 2018, four new IcSP exceptional assistance measures were adopted in this context.

⁹⁹ The IASC Principals have agreed that major sudden-onset humanitarian crises triggered by natural disasters or conflict that require system-wide mobilisation (Level 3 or L3 emergencies) are to be subject to a humanitarian system-wide emergency activation to ensure a more effective response to the humanitarian needs of affected populations. This measure will only be applied for exceptional circumstances where the gravity justifies mobilisation beyond normally expected levels, while recognising the complementarity of humanitarian systems.

¹⁰⁰ Sources: <https://www.unocha.org/iraq>; <https://data2.unhcr.org/en/situations/syria/location/5>.

In **Syria**, the Syria Peace Process Support Initiative, co-funded by Germany, has provided a multitrack and flexible support to the Geneva peace process on the basis of UN Security Council Resolution (UNSCR) 2254. The peace initiative has been instrumental in helping Syrian civil society engage in political transition, stabilisation and rehabilitation of the country, notably through support to the Civil Society Support Room and the Women's Advisory Board. Provision of support for education in opposition-held areas continues, while monitoring developments on the ground closely (notably, in Idlib). In April 2018, a EUR 10 million exceptional assistance measure was adopted to foster mine action in areas liberated from Da'esh by the Global Coalition and Ar-Raqqa city and Governorate and part of Deir Ez-Zor Governorate. Last but not least, the IcSP is helping to promote accountability for crimes committed during the Syrian conflict through the International, Impartial and Independent Mechanism.

In **Lebanon**, two IcSP activities were adopted in the wake of the Rome II Ministerial Meeting, in March 2018, in support of the armed forces and internal security forces. Since June 2018, the EU has been offering a mix of expertise and equipment to secure Beirut–Rafic Hariri International Airport against illicit trafficking and the threat of terrorism. In December 2018, CBSD was mobilised for the first time in the EU Neighbourhood, with the aim of consolidating the presence of the Lebanese state south of Litani River. The intervention will cover infrastructure works (headquarters) to allow for the deployment of the Lebanese Armed Forces' 'Model Regiment' in Unifil's area of operations, in line with UNSCR 1701.

In **Jordan**, the IcSP supported efforts to counter violent extremism by helping to decrease the risk of terrorist organisations exploiting social media networks by targeting young people. This was done by advancing Media and Information Literacy (MIL) as a holistic response to prevent hate and violent extremism. The action strengthened the capacities of public institutions (universities and schools), media and education professionals and CSOs to tackle violent extremism through MIL in four governorates: Irbid, Ma'an, Mafraq and Zarqa.

In **Iraq**, the IcSP helped to provide space for local conflict resolution and prevention and to reduce local sources of violence through dialogue among community leaders and resolution of grievances between local actors and the Iraqi government, thus contributing to a broader reconciliation initiative. Actions of this nature also contribute to the stabilisation of Iraq by addressing the multiple factors that might cause violence at the community level, including the return of young people that joined armed groups in the fight against ISIS. The IcSP also continued to support Iraq in the areas of SSR and rule of law, reinforcing the Iraqi intelligence community's ability to coordinate and merge information in a manner compliant with human rights and the rule of law.

In **Yemen**, the IcSP is supporting a system of city profiling designed to collect and present statistical data at city and neighbourhood levels in order to identify areas of greatest need and concern. Furthermore, a Track II mediation initiative is ongoing to provide financial, technical and operational support to peacebuilding processes in the country ⁽¹⁰¹⁾.

¹⁰¹ While Track I diplomacy refers to official contacts between government representatives, Track II diplomacy is more informal: it is carried out between unofficial contacts such as non-governmental actors to find common ground as a complement to official contacts.

3.3.4. The Pacific

3.3.4.1. Introduction: Policy developments

Climate change continues to be the single greatest threat to the Pacific region, challenging progress towards achieving the SDGs. Building on the alliance forged for concluding the Paris Agreement on climate, the EU and Pacific countries continued to cooperate towards implementation of the agreement. In particular, the EU supported **Fiji** throughout its presidency until handing it over to Poland at COP24 in Katowice, highlighting the plight caused by climate change in the Pacific.

Ocean governance, the marine environment and the fight against IUU fishing were at the centre of high-level discussions held during the 2018 Our Ocean Conference in Bali.

With the existing Economic Partnership Agreement delivering economic advantages to participating countries **Fiji** and **Papua New Guinea**, **Samoa** acceded to the agreement and the **Solomon Islands** concluded negotiating its market access offer to accede next.

With Pacific Island countries being hit frequently by extreme weather events (such as cyclone Gita in Tonga in February 2018), disaster preparedness and building resilience in communities affected by climate change continue to be among the most urgent tasks to be tackled in the region.

With the official launch on the side-lines of the UN General Assembly in September, negotiations between the EU and ACP have started with a view to concluding a Cotonou follow-up agreement as of 2020.

In 2018, the EU held high-level meetings with **East Timor**, **Fiji**, **Kiribati**, **Nauru** and **Palau**, during which issues such as human rights and democracy, rule of law, tax good governance, cooperation towards achieving the SDGs and increased cooperation in international forums were addressed. The EU also encouraged partners to ratify and implement UN conventions on human rights and the Rome Statute of the ICC, where appropriate.

3.3.4.2. Working better together, development effectiveness and donor coordination

The joint launch of the Pacific Initiative on Biodiversity, Climate Change and Resilience with Australia, France and New Zealand in the margins of the One Planet Conference in New York in September 2018 offered new possibilities to increase the engagement of the EU, its Member States and like-minded partners to promote ocean governance and the 'blue economy' within the Pacific region.

Representatives of the Commission attended the post-forum dialogue of the 49th Pacific Islands Forum Leaders Meeting in Nauru on behalf of Commissioner Mimica in September 2018. The signature of the EUR 45 million Pacific–European Union Marine Partnership (PEUMP) delegation agreements with the Forum Fisheries Agency, the Pacific Community, the Secretariat of the Pacific Regional Environment Programme (SPREP) and the University of South Pacific took place. Still at the post-forum dialogue, a EUR 2 million top-up to the ongoing sector reform performance contract (budget support) with the **Kingdom of Tonga** (for reconstruction after tropical cyclone Gita) was signed in the presence of the EU Member States and Tonga's Prime Minister.

At a side event of the COP24 in December 2018 in Katowice, Poland, the 'Pacific initiative for biodiversity, climate change and resilience' was presented. So far, this initiative has received support

from the EU, Australia, Canada, France and New Zealand (more than EUR 27 million). The AFD will be responsible for implementation and will work closely with the relevant Council of the Regional Organisations in the Pacific agencies, in particular the Pacific Community and the SPREP. The aim is to increase Pacific countries' capacities to adapt to the effects of climate change, to protect, restore and enhance its unique biodiversity and to increase countries' resilience.

3.3.4.3. Working towards the SDGs

The Commission addresses a wide range of SDGs in the area. Root causes of gender inequality and violence against women are tackled through education, prevention of violence and access to support services for victims of violence. Strong support is given to develop resilience against the negative effects of climate change and to the integration of climate finance into national budgets. Initiatives are also implemented to support sustainable energy services.

3.3.4.4. Implementation

The implementation of the EUR 13 million programme 'Tackling root causes of gender inequality and violence against women and girls in the Pacific' was launched with the signature of the financing agreement at the Pacific Islands Forum Leaders' Meeting in Apia in late 2017. In 2018, the implementation of the programme started in earnest, with the signature in May of a contribution agreement with UN Women. Concrete results on the ground have been achieved in 2018, addressing gender equality in formal and informal education, promoting the prevention of violence against women and girls at community level and providing concrete support for governments and CSOs to ensure access to support services for survivors of violence. The Pacific Initiative preceded and spearheaded other EU global initiatives on gender equality, including EU participation in the Spotlight Initiative.

In 2018, allocation of support for regional investment projects was increased from EUR 44 million to EUR 77 million. The aim is to promote sustainable investments, including through country allocations for **Papua New Guinea** (EUR 15 million) and the **Solomon Islands** (EUR 18 million). Furthermore, the regional 'Annual action programme 2018', which includes a 'Waste management (PacWaste Plus)' programme (EUR 17 million) and a 'Public financial management (PFM) and governance' programme (EUR 11 million), was adopted in 2018. PacWaste Plus facilitates sector policy dialogues to promote circular economies. The 'PFM and governance' programme complements existing budget support operations within EU bilateral cooperation. It also provides for capacity building to better integrate and monitor climate finance into national budgets, which is expected to increase significantly in the future.

In the Pacific, support activities for the 'Blue economy and conservation' programme are provided through the 'Pacific EU marine partnership programme' to increase the Pacific Island states' resilience against the negative effects of climate change. In an effort to enhance regional integration, synergies are sought with the regional OCTs programme, supporting environment, sustainable management of natural resources, biodiversity and climate change. Common coordination mechanisms include, for example, the selection of common implementing partners, such as the SPREP or the Pacific Community.

In 2018, the Partnership Instrument continued to contribute to EU external action in **Australia**, notably by enhancing the understanding and visibility of the EU and its role on the world scene by

means of the 'EU–Australia leadership forum' project. The overall objectives of the contract are to deepen and broaden the EU–Australia partnership, using the EU–AUS Framework Agreement as a reference point, and to ensure that other opportunities for engagement are further expanded, including broadening of the political, research and innovation, economic and trade investment relationships.

In **New Zealand**, 2018 saw the signature of the Partnership Instrument-funded contract 'Conducting legal analysis of New Zealand's measures and legislation related to trade and investment issues', aiming to strengthen the EU's negotiating position in the context of the upcoming EU–New Zealand FTA negotiations.

The amount of EUR 20 million has been committed to the Investment Facility for the Pacific (IFP). Private-sector-oriented opportunities with those international financing institutions eligible under the Commission's blending facility (IFP or DCI) criteria are very limited. As of December 2018, only the EIB and the Asian Development Bank are active in the region. In 2018, two projects were approved at the October DCI board meeting: the 'Pacific micro, small and medium enterprise finance project' (EUR 12 million) will be implemented by the ADB to stimulate economic growth in four small Pacific Island countries; and a contribution of EUR 8 million to the ElectrIFI country window dedicated to the Pacific Islands' renewable energy market.

3.3.4.5. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

In 2018, EU humanitarian intervention in the Pacific was limited to the provision of emergency response in major disasters when local authorities were overwhelmed; for instance, in **Tonga** for tropical cyclone Gita and in **Vanuatu** for the evacuation of the island of Ambae after the Manaro Vouli volcano erupted.

3.4. Enlargement

3.4.1. Introduction

The IPA II aims to help beneficiaries adopt and implement the political, institutional, legal, administrative, social and economic reforms required to comply with EU values and to align progressively with the Union's rules, standards, policies and practices, with a view to becoming members. As of December 2018, the beneficiaries are **Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia and Turkey** (the 'IPA beneficiaries'). In the period 2014–2020, the envelope for supporting preparation for accession as well as regional support and CBC will reach about EUR 12.8 billion.

In 2018, under IPA II, the Commission adopted eight annual action programmes, including one multi-country programme (total value of about EUR 797 million). In addition, three multi-annual programmes to support TAIEX, connectivity as well as civil society and media were adopted (total value of about EUR 349 million). The Commission's financial assistance in 2018 focused on regional political priorities, in particular the fundamentals of enlargement, such as the rule of law and democratic governance, economic growth and jobs, as well as other important priorities such as the connectivity agenda, security and education. The programmes adopted in 2018 were in line with the enlargement strategy and the 'fundamentals first' approach, and they reflected the priorities stemming from the State of the Union address and the Western Balkans Strategy. Additional

financial support was also provided for multi-annual programmes in the areas of regional development, rural development, employment, education and social inclusion.

The Commission also continued to support regional integration and good neighbour relations. Nine CBC programmes in the **Western Balkans** and a CBC technical assistance programme were adopted in 2018.

Continuing with the Western Balkans countries, their participation in the Framework Programme for Research and Innovation – Horizon 2020 – has been particularly successful in 2018. Numbers of participants from the region and competitive funding received (some EUR 23 million per year) have steadily increased and are generating a tangible impact on the national research and innovation landscape.

In 2018, implementation of the sector approach continued. Indeed, since the beginning of IPA II in 2014, the sector approach has produced strong improvement in the programming process, especially in linking policy dialogue (among the institutions involved and between the EU and beneficiaries) and financial assistance. Its outcomes are visible in terms of institutional improvements in various IPA beneficiaries.

A total of EUR 400.4 million has been committed in the period 2014–2018 under sector reform performance contracts with four IPA beneficiaries – **Albania, Kosovo, Montenegro** and **Serbia** – with a focus on PAR.

In addition to Montenegro, North Macedonia and Turkey, in 2018 the European Commission entrusted Albania and Serbia with budget implementation tasks for the execution of several measures under rural development programmes. This allowed calls for project proposals to be launched, for the individual projects to be implemented in 2019.

The focus on and efforts towards performance and results-based management under IPA II has continued in 2018, in particular through training for IPA II beneficiaries on performance frameworks, linking programming to monitoring and evaluation.

3.4.2. IPA priorities

The priorities of the pre-accession assistance derive from IPA regulation – specific objectives and thematic priorities – and are aligned with the core principles of the Enlargement Policy. For enlargement to become a reality, a firm commitment to the principle of ‘fundamentals first’ remains essential. Structural shortcomings persist, notably in the key areas of the rule of law and the economy. Accession candidates must deliver on the rule of law, justice reform, the fight against corruption and organised crime, security, fundamental rights, democratic institutions and PAR as well as on economic development and competitiveness. In line with these priorities, EU pre-accession assistance remains focused on supporting fundamental reforms.

In February 2018, the Commission adopted the Communication on ‘A credible enlargement perspective for and enhanced engagement with the Western Balkans’, which puts forward a comprehensive Action Plan to Support the Transformation of the Western Balkans and sets out flagship initiatives in six areas:

- the rule of law,

- security and migration,
- socioeconomic development,
- connectivity,
- a digital agenda,
- reconciliation and good neighbourly relations.

At the EU–Western Balkans Summit in May 2018, EU leaders agreed on the Sofia Declaration and the Sofia Priority Agenda, outlining measures for enhanced cooperation with the region, drawing largely on the Commission’s Strategy and Action Plan.

The EU continued work for improved connectivity both within the Western Balkans and between the Western Balkans and the EU. The EU supports concrete investments in the Western Balkans’ six transport and energy networks, with the purpose of creating a regional environment conducive to economic growth and job creation. EU assistance is also directed at fostering good relations with neighbours in the region to help overcome the legacy of the past.

In the case of **Turkey**, the Commission decided to reduce the indicative allocation for the period 2018–2020 due to backsliding on key reforms and doubt over absorption capacity: that is, the ability of Turkey to use EU funding swiftly, efficiently and to the full, in a timely manner. At the same time, and in line with the orientations of the European Council, funds were reoriented towards the rule of law, fundamental rights and civil society.

Finally, by assisting enlargement countries in tackling migration challenges, the EU continued to play a pivotal role in driving forward policies and programmes aimed at stemming the influx of irregular migrants to the EU.

3.4.3. Implementation

Bilateral cooperation, including budget support

Albania

The EU is the main contributor in Albania, providing an indicative EUR 639.5 million of assistance to support reforms in the period 2014–2020. In 2018, key priorities for financial assistance included PFM, PAR, justice reform, home affairs, employment and skills, and transport. In the same year, Albania received entrustment of budget implementation tasks for rural development measures under the 2014–2020 multi-annual programme, which allowed the actual implementation of the programme to start.

In the area of PFM, a sector reform performance contract contributed in particular to:

- implementation of the revised budget law in compliance with fiscal rules;
- approval of new public investment management guidelines;
- a budget consultation process with CSOs and the general public;
- appointment of all members of the public procurement review body;
- progress in the area of external audit, including a new strategy for 2018–2022.

In the area of PAR, a sector reform performance contract supported implementation of the strategy and has already shown measurable results in areas such as electronic services to citizens, civil service recruitment and better regulation.

The Commission supported implementation of justice reform also through the deployment of an international monitoring operation to re-evaluate (vet) Albanian judges and prosecutors. Core monitoring activities are conducted by a team of international observers (seven from EU Member States and one from the United States), who are embedded in every step of the work done by the domestic vetting institutions. The vetting process has produced concrete results: more than 200 investigation dossiers have been processed, and around 100 decisions have been taken. On average, for every magistrate confirmed in office, one is relieved of their duty.

In 2018, the EU extended the ‘Euralius’ project for the consolidation of the justice system, thus further supporting justice reform, helping secure the effective implementation of the legislative changes and reinforcing the new institutions created further to the justice reform. A sector reform performance contract was also approved to support implementation of the justice strategy.

In the home affairs sector, the project for the consolidation of law enforcement agencies, ‘Pameca’, supported the Ministry of Internal Affairs, the state police and General Prosecutor’s Office in their fight against organised crime and drug trafficking. It also 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 implementation of the Albania Strategy for Employment and Skills (2014–2020). It addressed in particular the promotion of youth employment (especially entrepreneurship programmes targeting young people), the establishment of multifunctional training centres and the reorganisation of VET providers, resulting in an overall increase in VET enrolment and investment in teacher training.

In the transport sector, a sector reform performance contract supported implementation of the Albanian transport strategy, focusing on road maintenance. The programme supported reform measures for road transport in the areas of public procurement, technical and financial management, road safety, sustainability and maintenance.

[Bosnia and Herzegovina](#)

The EU is the main contributor in Bosnia and Herzegovina, providing an indicative EUR 552.1 million of assistance for the period 2014–2020 to support reforms.

In 2018, intensified policy dialogue resulted in the formal adoption of a country-wide rural development strategy, triggering for the first time an allocation of EUR 30 million for agriculture under IPA II, and the adoption of a country-wide strategy on energy, allowing for possible further support. These are significant positive developments considering the difficulties in planning assistance arising from Bosnia and Herzegovina's institutional and political complexities. The finalisation of these strategies has allowed resumption of the full financial envelope initially intended for Bosnia and Herzegovina, as approved in August 2018.

As regards the rule of law sector, during 2018, continuous EU support for development of a modern judiciary in Bosnia and Herzegovina with a focus on the use of ICT and performance management has helped in providing better, faster and more transparent services to citizens.

Thanks to EU support, the High Judicial and Prosecutorial Council adopted new rules in 2018 to improve the appointment procedures and performance appraisal of judges and prosecutors as well as their integrity and professional training.

The judiciary's capacity for processing cases of war crimes is being strengthened with IPA assistance supporting the salaries and material costs of courts and prosecutor offices all across Bosnia and Herzegovina. The EU has also provided grants to the International Commission on Missing Persons, contributing to addressing the persisting challenges of transitional justice. An EU-funded Twinning project is further supporting the fight against money laundering and the implementation of Financial Action Task Force recommendations, including on the financing of terrorist activities.

In view of inadequate infrastructure for the efficient operation of courts and prosecutor offices, EU funds are provided for the (re)construction of judicial and prosecutorial premises. As of December 2018, 20 judicial institutions all over Bosnia and Herzegovina have been constructed, modernised and renovated.

Moreover, following the significant influx of migrants since the beginning of 2018, the EU is helping Bosnia and Herzegovina cope with increased migratory flows, notably by assisting migrants and asylum seekers in meeting their basic needs (shelters, health, education services, etc.) and strengthening border and migration management capacities.

In the area of democracy and governance, support is being provided to strengthen the role of the four parliaments in the process of Bosnia and Herzegovina's accession to the EU and in the implementation of the Stabilisation and Association Agreement. Additional assistance has been provided to improve overall internal financial control, especially in relation to the public procurement and statistics systems. The EU has supported reform in civil service human resources management by developing guidelines and practices for job classification, job description and recruitment procedures.

In the area of competitiveness and innovation, ongoing EU-funded activities aim to strengthen local economic development, improve local employment partnerships and increase the competitiveness of SMEs (e.g. by facilitating access to finance, fostering development of SMEs, transferring best EU practices via implementation of the Small Business Act for Europe, etc.). These activities complement broader financial instruments available at the regional level.

Kosovo

The EU is the main contributor in Kosovo, providing an indicative EUR 602.1 million of aid for the period 2014–2020 to support reforms.

There are two sector reform performance contracts on PAR and on PFM, both subject to structured policy dialogue involving relevant ministries, the prime minister's office and relevant parliamentary committees. Stakeholders have been involved to ensure the adoption of key legislation with a view to strengthening merit-based recruitment, accountability, transparency and efficiency.

Case study

Further support to education in public safety in Kosovo

Sustainable economic growth requires good-quality jobs. The Twinning project with partners from Finland and Estonia (EUR 1.4 million financed under IPA) began in February 2016 and is due for completion in January 2019. This project is relevant to SDG 8 on decent work and economic growth.

Context

The Kosovo Academy for Public Safety is the only institution delivering training to the staff of public safety agents, including police, customs and correctional and probation services, thus having a direct impact on the professionalism and quality of these services in Kosovo.

Objectives

The objective is to strengthen the rule of law by improving the education of public safety agents or, more specifically, to provide high-quality public safety and security education, research and development in Kosovo.

Impact

The following are some of the outcomes achieved.

- Modern vocational curricula, in line with European best practices, for all public safety agencies have been developed and implemented to train the first intake of more than 450 students.
- A Bachelor's Programme in Public Security has been accredited with 85 students and, as of December 2018, 260 enrolled.
- Sustainable vocational training structures have been developed.
- An e-learning platform and seven e-learning modules have been developed.
- A student counselling system has been developed to ensure a student-centred approach and to prevent dropout.

The Republic of North Macedonia

The EU is the main contributor to the Republic of North Macedonia, providing an indicative EUR 608.9 million of assistance for the period 2014–2020 to support reforms.

In 2018, the country agreed to draw up the first-ever sector reform performance contract (EUR 16.5 million), aiming to improve active labour market measures and boost youth employment. The ‘Public financial management reform programme 2018–2021’, key for effective implementation of the contract, has been adopted. The programme also contributes to increasing transparency and accountability and involving external stakeholders in policymaking.

Montenegro

The EU is the main contributor in Montenegro, providing an indicative EUR 279.1 million of assistance to support reforms in the period 2014–2020.

In 2018, IPA II funds focused on the key area of rule of law and fundamental rights to address a range of judicial, customs-focused and rights-centred initiatives. Complementing this, the agriculture and rural development sector was also supported with a major new programme. Additionally, during 2018, a programme focused on health, social issues and education was added to the national portfolio (EUR 36.2 million).

In 2018, existing programmes continued in a range of sectors, including environment, agriculture and transport. Sector reform performance contracts in integrated border management and PAR had an important impact during 2018 to support reforms in the country.

Additional support was also provided as part of the EUR 15.3 million ‘Education, employment and social policies’ programme, launched in 2018. In parallel with this important initiative, implementation of a number of other social programmes continued, aiming to address the integration of Roma and other vulnerable groups.

Case study

Support for the implementation of Chapters 23 and 24 action plans

An ongoing project in the rule of law and fundamental rights sector contributes to SDG 16. It aims to support the country in its work to prevent and counter corruption. It focuses on supporting the implementation of integrity measures in relevant institutions and the work of the Agency for the Prevention of Corruption. Objectives include enhanced efficiency of the judicial system and more effective enforcement of legislation concerning the fight against organised crime and corruption, including: improving the effectiveness of financial investigations; coordination among the state prosecutor’s office, police, court authorities, customs administration and tax administration; and the improved enforcement of integrity plans.

Serbia

The EU is the main donor in Serbia, providing an indicative EUR 1.54 billion of assistance to support reforms in the period 2014–2020.

In 2018, assistance focused on four key sectors. In the area of **democracy and governance**, under the European Integration Facility, specific actions supported legislative harmonisation with the EU *acquis communautaire* and the strengthening of Serbia’s institutional capacities in different areas. In addition, the development of reliable statistics aimed to increase the availability, quality, comparability and timeliness of high-quality and policy-relevant statistical data. In the area of

environment, climate action and energy, the aim is to raise environmental standards in Serbia in terms of air and water quality through the construction of a wastewater treatment plant, the improvement of district heating systems through switching to renewable energy sources and a pilot project to support energy efficiency. In the area of **competitiveness and innovation**, the focus is on improving access to finance for SMEs, enabling them to innovate, initiate research and development and invest in meeting EU standards. In addition, a specific action will contribute to developing the tourist industry, in line with Serbia's tourism strategy, as an engine of economic development in the lower Danube area. Finally, in the crucial area of **education, employment and social policies**, the focus will be on the social inclusion of marginalised people through housing, jobs, health, education and social services.

Although the 2014–2018 programmes are still at an early stage, there are already some measurable achievements. The sector reform performance contracts introduced under IPA II have contributed to the achievement of tangible results in the key areas of PAR and PFM, integrated border management and education. The assistance with governance- and accession-related priorities has opened dialogue with Serbia in economic and monetary policy and statistics. The support directed at improving competitiveness has improved access to finance for SMEs and enhanced innovation.

In terms of connectivity, in **transport**, the first phase of the modernisation of the railway line from Nis to Dimitrovgrad (on the border with Bulgaria) is planned to commence in the second half of 2019. In **energy**, work on the important Trans-Balkan corridor electricity project has continued with the completion of Section I between Serbia and Romania, helping establish a power corridor that will connect the electricity transmission systems of Bosnia and Herzegovina, Montenegro and Serbia to Croatia, Hungary, Italy and Romania.

In 2018, Serbia received entrustment of budget implementation tasks for some rural development measures under the 2014–2020 multi-annual programme, which allowed the actual implementation of the programme to start.

Case study

Sector reform contract on education

This sector reform contract (EUR 27.4 million) aims to support implementation of key reforms in the education sector. It focuses on improving the quality of teaching processes and of minority education, increasing the inclusion of Roma and improving the relevance of the education system for the labour market. There are four main achievements from the first year of implementation.

- Training for teachers in elementary and high schools has begun so they can change the approach towards a curriculum based on expected learning results. This reform is significant and will last for a long time, but the first steps are the most important: the training creates professionals for the future who can teach the next generations more efficiently. Serbia's education system needs to change: children should not be taught based on a predetermined list of topics, but with the aim of achieving some clear results.
- The availability of minority-language textbooks has increased, and training for teachers in minority languages has improved. Languages represent a measure of wealth for a country, and Serbia has improved this wealth with textbooks now available in eight minority languages, giving children from these groups a quality education in their mother tongue.
- The most vulnerable groups in society need specific support: 300 state-financed scholarships for Roma secondary students were made available in the budget for the school year 2017/18. This support has proven very successful in the past, especially when it targets Roma girls, so the aim is to make it a continuous feature.
- The EU is about growth and jobs: the project has supported the creation of a social partnership linking education and the labour market. A new law on the National Qualifications Framework has been adopted, allowing Serbia to align with the EU system and standards and to help the education sector improve and adapt to new labour market needs.

Turkey

Regarding IPA assistance, the Commission decided in August 2018 to revise downwards the indicative allocation of pre-accession funds for Turkey by EUR 759 million (EUR 253 million per year and an overall 40 % reduction) for 2018–2020 in light of poor absorption capacity and backsliding on key reforms. This followed the presidency conclusions of December 2016 calling for a reorientation of pre-accession funding towards the rule of law, fundamental rights and civil society, and the discussions on Turkey at the October 2017 European Council.

At the same time, the Commission reoriented the share of funding allocated to political reforms, rising from 38.4 % of funds in 2014–2017 to 44.7 % in 2018–2020. This strengthened the focus on democracy, rule of law and governance as well as support to civil society and people-to-people contact. Structural fund-type programmes, designed to underpin the efforts of IPA beneficiaries at an advanced stage of their pre-accession preparation, were sharply reduced.

The 2018 allocation for Turkey amounted to EUR 386.8 million, of which EUR 98.4 million was allocated to:

- support activities on fundamental rights, home affairs and energy;
- co-finance for Turkey's participation in the 'Erasmus+' programme in order to continue enhancing people-to-people contacts between Turkey and the EU;
- promote civil society dialogue and the EU *acquis communautaire* through the 'Jean Monnet scholarship programme'.

EUR 12.4 million was allocated to support civil society. EUR 145 million was allocated to support reforms in the climate, disaster risk management, emergency response capacities, civil protection, transport, gender equality and social inclusion sectors, including minorities and people with disabilities, as well as support for youth and vocational training. Finally, EUR 131 million was allocated to agriculture and rural development.

Case study

The Facility for Refugees in Turkey

The EU Facility for Refugees in Turkey became operational in February 2016. It has a total budget of EUR 6 billion, including EUR 3 billion from the EU budget and EUR 3 billion from Member States in the form of externally assigned revenues. The first tranche of EUR 3 billion was mobilised in the 2016 and 2017 budget years, and the second tranche of EUR 3 billion will be mobilised in the 2018 and 2019 budget years. The first tranche has been fully committed and contracted, with 72 projects rolled out and showing tangible results. More than EUR 2 billion of the first tranche has been disbursed, with the balance to be disbursed in the course of implementation of facility projects by mid-2021. Of the second tranche, EUR 450 million was contracted by the end of 2018 for a project that continues to provide access to education for Syrian refugees and for protection interventions.

The facility is implemented as humanitarian and development assistance. Under the first tranche of the **humanitarian strand**, 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', benefiting 1.5 million of the most vulnerable. The 'Conditional cash transfer for education' programme was launched in 2017 and is the largest programme on education in emergencies ever financed by the EU, facilitating access for refugees to formal education systems. As of October 2018, more than 410 000 children have attended school, and their families have also received financial support through this programme. Under the second tranche, as of December 2018, EUR 50 million of humanitarian assistance has been contracted.

Under the first tranche of the **development strand**, 27 projects have been contracted, focusing on longer-term livelihoods and socioeconomic and educational prospects of refugees. In education, a EUR 300 million grant – implemented in cooperation with the Ministry of National Education – has supported the integration of Syrian children into the Turkish education system, providing access to education for more than 600 000 children. This support continues under the second tranche through a new EUR 400 million project with the Ministry of National Education. In addition, regarding health, the facility is delivering EUR 300 million in aid to ensure refugees can access healthcare services, with over 4 million primary healthcare consultations completed and over 500 000 Syrian refugee children vaccinated as of December 2018. Furthermore, 143 migrant health centres are now operational, with over 2 000 staff employed. Under the second tranche, the facility will continue to provide assistance in health, education, municipal infrastructure and socioeconomic support, with a special focus on creating livelihood opportunities for refugees in Turkey.

Further information on the Facility for Refugees can be found at: https://ec.europa.eu/neighbourhood-enlargement/news_corner/migration.

Regional cooperation

Continued efforts have accompanied bilateral assistance to strengthen regional cooperation. During 2018, the Commission continued to work closely with partners to improve cooperation within the region and with the EU, connecting infrastructure, economies and people. The priorities have featured prominently in the summits (both the EU–Western Balkans Summit in Sofia in May, with its Declaration and Priority Agenda, and the Western Balkans Summit in London in July, with its

declarations on security matters and on missing persons) and the relevant ministerial-level meetings.

The regional cooperation agenda is designed to increase dialogue on practical matters and reform measures in the Western Balkans among prime ministers and ministers of transport, energy and foreign affairs. Results in 2018 included the Headquarters Agreement with Serbia on the seat of the Secretariat of the Transport Community Treaty in Belgrade, and the launch of the new digital agenda for the region. Support was provided for the implementation of the Regional Economic Area Multi-Annual Action Plan, and negotiations have started on the mutual recognition of qualifications and on a regional roaming agreement.

Regional cooperation continued to focus on the connectivity agenda. A major outcome was achieved at the Western Balkans Summit, in which a substantial connectivity package was delivered, comprising 11 transport projects totalling EUR 190 million in grants and leveraging investments of EUR 1 billion from partner international financial institutions in the WBIF. With IPA support, important results of EU interventions here include development of the core transport network and PEI, including associated connectivity reform measures. EU-funded 'Connecta' technical assistance also initiated implementation of four regional measures designed to improve road safety and maintenance, install an 'intelligent' transport system and improve road border crossings.

Reconciliation is a cornerstone for lasting peace in this area. At regional level, the Commission has pursued a strong agenda for promoting and supporting reconciliation and good neighbourly relations. Towards the end of 2018, the Commission delivered concrete actions to help narrow the impunity gap, tackling the issue of missing persons, promoting the dissemination of truth, fostering cultural cooperation through a more comprehensive and integrated approach to these issues and engaging with different key partners in the region and at international level. Several steps were taken to help strengthen cultural ties across the region, including the 'Creative Europe' programme, to counter nationalistic narratives and build vibrant democracies by supporting civil society and media. The Commission also provided political and financial support to the Regional Youth Cooperation Office, inspired by the model of the Franco-German Youth Office created after World War II. Continued support for housing care solutions for refugees and displaced persons in the region was also provided such that, by the end of 2018 and thanks to the RHP, close to 4 000 housing units were delivered to the most vulnerable refugees and displaced families from the conflict in the 1990s.

There has been extensive follow-up of the counterterrorism agenda in the Western Balkans with the adoption of the Joint Action Plan on Counter-Terrorism for the Western Balkans.

CBC

The sixth flagship initiative of the Western Balkans Strategy – 'Supporting reconciliation and good neighbourly relations' – is the common thread of the CBC programmes in the **Western Balkans**, rebuilding the links broken in the 1990s.

In 2018, operations (grant contracts) started being implemented in six out of the nine 2014–2020 CBC programmes among Western Balkans beneficiaries. The thematic priorities include:

- promoting employment, labour mobility and social and cultural inclusion across borders;

- protecting the environment and promoting climate change adaptation and mitigation, and risk prevention and management;
- encouraging tourism and cultural and natural heritage;
- investing in young people, education and skills;
- enhancing competitiveness, the business environment and the development of SMEs, trade and investment.

Despite relatively limited resources (EUR 30.2 million IPA II as of December 2018), these programmes and projects have managed to trigger real change for local communities, including for vulnerable groups (minorities, young people, persons with disabilities, etc.). For example, they provide opportunities for self-employment for persons with disabilities or acquisition of high-value ICT knowledge for young people. As almost the only external actions realised in the peripheral areas targeted, these programmes are highly visible and help build positive relations between the local population and the EU.

IPA CBC programmes are not only bilateral programmes that connect local communities across the border; they even manage to connect countries. One very successful example is 'Via Dinarica', in which stakeholders from five countries of the region pursuing a common purpose have shaped a new tourist attraction for mountain trekkers in the spirit of a natural pilgrimage. The 'Extension of ViP Dinarica' project, contracted in February 2018 under the IPA CBC programme Albania–Kosovo, will run until February 2020.

Turkey has a bilateral CBC programme with Bulgaria to support economic, social and territorial development in their common border areas, and it continues its involvement in the 'Black Sea basin programme'.

Furthermore, IPA CBC is a unique tool for building capacities of both national and local authorities for the future management of EU structural funds upon accession.

3.4.4. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

In **Turkey**, the largest host country of registered refugees, humanitarian activities are implemented as part of the Facility for Refugees. The EU humanitarian funding to support refugees in Turkey through the facility was EUR 1.4 billion between 2016 and 2017, with a further EUR 50 million under the second tranche of the facility in 2018. This brings the total humanitarian funding already allocated under the facility to EUR 1.45 billion. In 2018, the EU continued to address the needs of refugees with high socioeconomic vulnerability via the 'emergency social safety net'. This is a humanitarian social assistance programme consisting of a debit card that delivers monthly, unrestricted, multipurpose cash directly to vulnerable refugees. As of December 2018, over 1.5 million refugees have benefited from monthly cash transfers through the programme. The EU also continued to facilitate access for refugee populations to formal education systems by reducing barriers and providing the means for at-risk children to be able to go to school. Launched in 2017, the 'conditional cash transfer for education' programme is the largest ever programme financed by the EU on education in emergencies. As of December 2018, the families of over 410 000 children

attending school have received financial support through the 'conditional cash transfer for education' programme. These projects are complemented by a number of other humanitarian aid projects addressing protection issues, providing non-formal education and specialised healthcare services.

Since the beginning of the refugee crisis, the European Commission has been assisting the refugees and migrants transiting through the **Western Balkans**. In 2018, while the emergency response came to its end, in September the existing humanitarian projects in Serbia were handed over to the EUTF for **Syria**. Following the emergence of a new migratory route in May 2018, the Council of Ministers of Bosnia and Herzegovina officially requested assistance from the EU. The European Commission launched a timely response to the small-scale emergency. The assistance, amounting globally to EUR 9.2 million, included EUR 2 million of humanitarian funding. It covered provision of emergency shelter, food, water and sanitation, health and protection services and has reached the vast majority of 24 000 refugees and migrants transiting through Bosnia and Herzegovina.

3.4.5. Crisis response and preparedness

In 2018, engagement under the IcSP in the Western Balkans focused on the implementation of measures announced in 2017 to target crucial issues for the stability of the region, such as supporting confidence-building measures between communities or, notably, promoting the EU-facilitated dialogue between **Belgrade** and **Pristina**.

In September 2018, three interventions were successfully launched to promote the normalisation of relations between Belgrade and Pristina. The interventions aim to bring the EU-facilitated dialogue closer to society and to strengthen it through broader and more active involvement of citizens. The hope is that more and better information on the dialogue and how it positively impacts people's everyday lives will lead to greater acceptance of and, ultimately, support for advancing the dialogue. CSOs, chambers of commerce, media and opinion leaders and experts from both sides will reflect on how they can shape the course of the dialogue and bring the issues to the attention of the wider public. Joint media initiatives and exchanges may result in more balanced and less one-sided portrayals.

In **Kosovo**, the 'Inter-community dialogue through inclusive cultural heritage preservation' programme seeks to improve inter-community tolerance and respect for cultural identity and heritage of the 'other' in Kosovo. Following a previous phase (2017–2018), 18 cultural and religious sites have been rehabilitated. The renovation works also represented an occasion for members of different multi-ethnic communities to strengthen bonds through joint activities. This second intervention, started in May 2018, has a wider geographical scope and aims to bring the communities together to work on intangible cultural heritage (such as traditions, performing arts, cuisine, crafts, etc.). Women and young people play a central role in the activities.

The IcSP has also played a significant part in decreasing the threat of uncontrolled explosions posed by chemically unstable and highly hazardous ammunition and remnants of war in **Bosnia and Herzegovina**. The 'EU star' programme also aims to transfer the knowledge and experience gained from the programme and its contractors to local personnel, thereby developing self-reliance in the country to destroy unexploded ordnance (2017–2019). In line with the Ottawa Mine Ban Treaty (1997), the IcSP will continue its efforts to clear as yet uncovered mines from Bosnia and

Herzegovina. Efforts to map the remaining contaminated areas – in partnership with the Bosnia and Herzegovina Mine Action Centre – will pave the way for a full decontamination. These programmes are implemented in close coordination with Operation Althea (formally the European Union Force in Bosnia-Herzegovina). In addition, another Commission action aims to ensure access to justice for witnesses and victims by strengthening existing, and establishing new, witness support networks across the country.

In **Turkey**, engagement under the IcSP remains significant, in large part as a response to the regional consequences of the conflicts in Syria and Iraq. Following completion of a first action to provide the Turkish Coast Guard with six boats to conduct search and rescue operations as a response to the migration crisis in February 2018, a second action was adopted in September 2018 and should provide nine additional search and rescue vessels.

In parallel, support for counterterrorism and the prevention of violent extremism is ongoing, in particular through training provided by the European Union Agency for Law Enforcement Training (CEPOL) in collaboration with the Turkish National Police Institute, as well as research and policy recommendations on how best to address common threats represented by foreign terrorist fighters. The IcSP also finances mediation activities, bringing together representatives from various Turkish political parties to discuss political solutions around the ‘Kurdish issue’.

3.4.6. Working better together, contributor effectiveness and donor coordination

In **Albania**, following the revised structure of the government, contributor coordination was transferred to the Ministry of Finance and Economy at the end of 2017. However, the EU delegation provided support throughout the year because the ministry was unable to manage contributor coordination for most of 2018 due to fragmentation of roles and mandates across departments specifically related to coordination and overview of foreign aid and reform implementation. In 2019 it will place greater emphasis on the ministry taking charge of this function in a more structured and efficient way. More regular contributor coordination meetings took place with the government in the field of PAR, PFM, justice, agriculture, and employment and VET, including the monitoring of sector reform performance contracts.

In **Bosnia and Herzegovina**, contributor coordination is shared among different bodies. While IPA assistance is coordinated by the Directorate for European Integration, international aid is generally coordinated through the Bosnia and Herzegovina Ministry of Finance and Treasury. In specific sectors, such as agriculture and rural development, the state-level sector Ministry for Foreign Trade and Economic Relations is recognised among contributors as a lead institution in contributor coordination for the sector. In the course of 2018, the Ministry of Finance and Treasury, supported by Switzerland and the United States Agency for International Development, undertook assessment of the contributor assistance mechanism in Bosnia and Herzegovina, with the aim of improving it. The assessment findings and recommendations are expected in the first quarter of 2019. The EU delegation contributed to the exercise by improving the overall contributor coordination in Bosnia and Herzegovina, ensuring a significant degree of coherence with EU Member States in a number of sectors. This was strengthened through two general aid coordination meetings with EU Member States and other key partners, including international organisations, as well as a number of sectoral and bilateral meetings.

In **Kosovo**, given the volume of financial assistance and the number of contributors, coordination among all involved stakeholders remains essential in order to ensure efficient use of EU funding, especially in sectors such as rule of law and fundamental rights. Close cooperation with Member States, international financial institutions and other bilateral contributors resulted in several agreements between the EU and other partners in different fields, optimising the use of expertise available.

In the Republic of **North Macedonia**, the responsibility for contributor coordination lies with the Secretariat for European Affairs. Contributor coordination is an inherent part of the sector approach to managing IPA financial assistance. Nine sector working groups have been established, serving as platforms for discussing sector priorities and implementation, and involving national authorities, contributors and civil society. The programming of IPA assistance is fully embedded in the sector working groups, ensuring the relevance, efficiency and visibility of EU funding. Another element for improving aid efficiency and contributor coordination is ensured by the government. Particularly important is the instrumental role played by the National Investment Committee in planning big infrastructure projects of regional importance. In 2018, the single project pipeline was reassessed and updated and will enhance contributors' coordination in ensuring regional connectivity and protection of the environment.

In **Montenegro**, the PAR sector reform performance contract, which as of December 2018 is in its first year of implementation, is a good example of the importance of contributor cooperation. Financed under the 2017 Action Programme (EUR 15 million), the programme focuses on the implementation of the country's PAR Strategy 2016–2020. This key national strategy is centred on optimising 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. In the programme's context, dialogue among bilateral and international partners was extended, and an updated contributor matrix is now helping to avoid overlaps and, importantly, maximise synergies. At a more technical level, an EU-led coordination structure also exists among stakeholders involved in ongoing projects in the rule of law sector. Furthermore, the Ministry of Justice is also strengthening its efforts to organise an efficient contributor coordination system for actions implemented in this sector. Equally, in the social sector, further cooperation between the EU, the authorities and other contributors is underway. More globally, the EU is encouraging the government of Montenegro to work towards creation of an overarching government-led contributor coordination mechanism.

In **Serbia**, reforms are geared towards EU accession as well as to the 2030 Agenda goals, and priorities are programmed accordingly. All major development partners are programming along the same strategic framework. Further, IPA II programming is based on the sector reform strategies and in full consultation and coordination with development partners, ensuring full coherence and complementarity of the support. The government plays an active role in contributor coordination. Ten sector working groups have been set up to coordinate contributors in Serbia. The EU delegation is the lead contributor for justice, home affairs, PAR, transport, 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, together with the participation of the EU.

In **Turkey**, the EU delegation regularly organised consultations and coordination meetings with EU Member States, other contributors and key partners, including international financial institutions, UN agencies, civil society and private sector organisations, on the programming and implementation of EU assistance. The Facility for Refugees coordinates with the Turkish government and most of these partners. International financial institutions are very active with loan programmes, particularly in energy, PSD, transport and the environment. The Council of Europe, OECD SIGMA, several UN agencies and other specialised international organisations are also active in Turkey, working on judicial reform, fundamental rights, migration and border management, employment and social policies. However, there is no regular contributor coordination led by the Turkish authorities, despite attempts through some initiatives (the Regional Refugee and Resilience Plan (3RP), etc). Regular meetings chaired by the Turkish side would be beneficial for exchange of information, sharing of experience, avoidance of double funding and support for the sector approach. On the Turkish side, the Ministry for Foreign Affairs is in charge of coordination for IPA, and the Office of the Vice-President is coordinating for the Facility for Refugees. In parallel, for investment-related loans, the Turkish Ministry of Treasury and Finance has been playing a key role.

At **regional level**, the WBIF is the main tool for contributor coordination and acts as a blending platform that ensures optimal division of labour. The WBIF supports socioeconomic development and EU accession across the Western Balkans region through the provision of technical assistance and investment grants for strategic projects in the fields of environment, energy, transport, social and digital infrastructure and PSD. The WBIF seeks to maximise the impact of its grant financing by joining forces with financial institutions providing loans to the projects it supports. Moreover, it ensures the effective coordination of the key actors in the field, both in terms of projects and policies. Finally, it promotes an integrated priority investment pipeline from the beneficiaries. The WBIF receives allocations from IPA I and IPA II as well as grants and loans from international financial institutions.

3.4.7. Working towards the SDGs

Commission assistance in the WBT contributes to several SDGs. Given strong IPA focus on rule of law, human rights, institution building, legal approximation and public sector reforms, SDG 16 is by far the goal most targeted by IPA assistance. At the same time, substantial IPA support for infrastructures, both at bilateral and regional levels, contributes to clean water and sanitation (SDG 6) in the case of **Albania**, affordable and clean energy (SDG 7) in the case of **Bosnia and Herzegovina, Serbia and Turkey**, and environment and climate action (SDG 13) in **Serbia**. Sector support programmes in favour of health, education, employment and social policies are also financed in several beneficiaries, thus contributing to SDG 4 (education), SDG 8 (decent work and economic growth) and SDG 10 (reduced inequality).

Case studies

Support for the water sector in Albania

The programme has contributed to most SDG 6 targets. The assistance has included a series of infrastructure projects to build wastewater collection and treatment facilities, including technical assistance to improve policy development. This has largely contributed to the following targets:

- 6.1 Drinking water,
- 6.3 Water quality and wastewater,
- 6.5 Water resources management,
- 6a International cooperation and capacity building,
- 6b Stakeholder participation.

An additional action has been approved in the water sector in 2018 which will further contribute to the achievement of SDG 6 targets and, specifically, 6.1 Drinking water. As a result, the National Baseline Report on SDG alignment classified alignment with Albania's national development policy framework for SDG 6 as 'moderate' (55 %).

In 2018 the Commission implemented, in cooperation with ETF, a diagnosis assessment of the vocational and training sector (VET) strategy in **Montenegro**. It focused on the governance and financing issues, aiming at an analytical report that serves as a basis for national policy discussions (and possible future improved strategies). To that end, a diagnostic tool was developed, to assess the credibility of the VET strategies in NEAR countries. This tool supports ministries in better defining priorities, maintaining an overview and in monitoring reform. This in turn links to PAR processes and EU financial assistance, and supports assessments made in the context of the VET sector budget support operations.

3.5. European Neighbourhood Instrument (ENI)

3.5.1. European Neighbourhood East

3.5.1.1. Introduction: Priorities and policy developments

During 2018, the EU continued to develop its relations bilaterally under the ENP and multilaterally under the Eastern Partnership dimensions – both firmly based on common values, mutual interests, shared ownership, responsibility, differentiation and mutual accountability – to deliver tangible results to citizens. The Eastern Partnership continued to be mutually beneficial for the EU as well as the six partner countries: **Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine**. In addition, the EU focused on the implementation of joint commitments undertaken at the Eastern Partnership Summit of November 2017 and on showcasing the tangible results the Eastern Partnership policy brings to the citizens of partner countries.

The EU also continued to play an active role in bilateral relations with the six countries. Against the backdrop of political change and a peaceful protest movement that led to the election of parliament and appointment of a new prime minister, EU relations with **Armenia** have focused on preparation and implementation of a roadmap to anticipate legislation in the Comprehensive and Enhanced Partnership Agreement. The year 2018 was also marked by continuous efforts to negotiate a new agreement with **Azerbaijan** to replace the 1996 version and by the endorsement of Partnership Priorities. Critical engagement with **Belarus** continued, also in the context of ongoing negotiations over Partnership Priorities. The final Partnership Priorities document will be the first jointly agreed, broad political framework for an EU–Belarus relationship. Finally, with regard to **Georgia, Moldova** and **Ukraine**, the EU continued to support implementation of the ambitious Association Agreements/DCFTAs. With the EU, Georgia jointly agreed priority actions for future cooperation in line with the Association Agenda and the ‘20 Deliverables for 2020’. In addition, the EU expressed the expectation that Moldovan authorities would take action regarding the electoral framework and the judicial system as well as action against corruption ahead of the parliamentary elections scheduled for February 2019. Following the non-transparent invalidation of the mayoral elections in the capital Chisinau (June 2018), EU assistance to Moldova was recalibrated and refocused on projects directly benefiting citizens and supporting civil society. Ukraine continued to make progress on its reform agenda with the help of EU financial and technical assistance based on the guiding framework in place.

The work of the multilateral dimension continued to focus on sectoral cooperation, achieving tangible results and delivering substantial changes in four key priorities, as captured in the ‘20 Deliverables for 2020’ document ⁽¹⁰²⁾:

- strengthening institutions and good governance;
- economic development and market opportunities;
- connectivity, energy efficiency, environment and climate change;
- mobility and people-to-people contacts.

Since the 2017 Eastern Partnership Summit, good progress has been noted across all areas, particularly in the Trans-European Transport Network (TEN-T) ⁽¹⁰³⁾ and the fields of trade, economy, digital connectivity, energy efficiency, energy security and young people. However, challenges remain in the areas of rule of law, shrinking space for civil society and independent media.

3.5.1.2 Implementation

Bilateral cooperation, including budget support

Armenia

The year 2018 marked a significant political change in Armenia following the protests in April–May 2018 (widely described as a ‘velvet revolution’) which resulted in a peaceful change of government with Prime Minister Pashinyan leading. The new government engaged in a series of reforms,

¹⁰² https://eeas.europa.eu/sites/eeas/files/20_deliverables_for_2020.pdf.

¹⁰³ The Trans-European Transport Network is a European Commission policy for the implementation and development of a Europe-wide network of roads, railway lines, inland waterways, maritime shipping routes, ports, airports and rail–road terminals.

committing itself to strengthening democracy and the rule of law, fighting against corruption, improving transparency of the justice system and organising free and fair snap parliamentary elections. The government also adhered to the EU–Armenia Comprehensive and Enhanced Partnership Agreement, which entered into force provisionally on 1 June 2018. Together with the government, the EU is considering whether to enhance strategic policy engagement in light of the government’s ambitious reform agenda and whether to accelerate and upgrade bilateral cooperation.

The parliamentary elections on 9 December were won by Prime Minister Pashinyan’s ‘My Step’ alliance. The EU supported the elections with a substantial package of EUR 2.4 million, comprising technical assistance (IT hardware and live streaming from the polling stations) and democracy and civic participation actions in the context of holding free and fair elections. The EU will also support reforms of electoral law in line with the OSCE Office for Democratic Institutions and Human Rights and the Venice Commission’s recommendations.

In 2018, the EU was the largest contributor in Armenia, having a substantial portfolio focused on supporting the reform agenda, the focal regions (Shirak, Lori and Tavush), PSD and infrastructure investments (blending). Two new actions were approved to support growth in northern regions to include sectors such as agriculture, tourism and creative industries (EU4Armenia: Regional Development) and civic participation, including support for the organisation of elections (EU4Citizens: Deepening Democracy). Blended grants with loans have generated additional investments in energy, water infrastructure and irrigation as well as the agriculture and transport sectors.

The EU has further actively engaged in high-level and technical discussions on protecting human rights, supporting the implementation of a human rights budget support programme on improving the electoral system, combating torture and discrimination, promoting gender equality and protecting children’s rights.

In September 2018, the EU and the Ministry of Justice together launched a justice policy dialogue with the aim of supporting the ongoing review of the 2019–2024 Strategy for Judicial and Legal Reforms and Action Plan and comprehensive reforms in this area. As of December 2018, discussions are ongoing about EU support for more comprehensive reforms through further assessment and functional review of the justice system.

Regarding sector reform performance contracts, in 2018 the ‘Support for the implementation of the ENP Action Plan and preparations for the future AA’ programme was completed. As of December 2018, there are four ongoing programmes with a total multi-annual value of EUR 62 million:

- ‘Human rights protection support’,
- ‘Public finance policy reform’,
- ‘Better service delivery through a more efficient and responsive public administration’,
- ‘Better qualifications for better jobs (VET)’.

The government expressed interest in future programmes supporting reforms in the areas of justice, education and law enforcement.

Azerbaijan

For Azerbaijan, negotiations on a new agreement continued throughout 2018. Partnership Priorities, a strategic document outlining the basis for cooperation and the Single Support Framework for EU support to Azerbaijan in 2018–2020 were adopted. In this context, the EU continued support in three main areas: **economic diversification**, **human capital** and **regional development**. In the area of human capital, the EU approved a new programme on Education for Employment, which aims to support the creation of employment opportunities, especially within SMEs, by strengthening labour-market-oriented education and training systems.

The EU also continued to support the government's reform agenda in areas such as energy management, environmental policy, the probation system, cybersecurity and e-government, including through active use of the TAIEX instrument. In collaboration with the Council of Europe, the EU supported justice reform, application of the European Convention on Human Rights and the fight against corruption and money laundering.

Twinning has remained a successful tool in supporting the government's efforts to modernise its administration and to start aligning with European standards and practices in selected sectors, such as environment, the civil service, higher education and the pension system. The findings of the EU–Azerbaijan Business Climate Survey 2018 are helpful in guiding cooperation between the two sides in trade and related areas.

Belarus

Since the EU lifted most of the restrictive measures against Belarus, and the February 2016 Council conclusions recognised an opportunity for EU–Belarus relations to develop more positively, the EU has stepped up its financial assistance to the country, supporting four broad measures to help develop the country's economy in line with the jointly agreed '20 Deliverables for 2020'. This aims to:

- support **business and economic development** by helping to simplify business procedures and attract investment and trade, and support for structural reforms in the state-owned enterprise sector;
- promote **good governance** to foster an enabling, resilient and democratic environment and enhance capacities in quality reporting of non-state media;
- improve **connectivity** to enhance the efficiency of energy and other resources at central and local levels in Brest and Grodno;
- increase **mobility** and expand **people-to-people contacts**, to give professionals more opportunity to establish contacts with their peers in EU Member States.

In 2018, negotiations on the EU–Belarus Partnership Priorities, a strategic document outlining the basis for cooperation and the first document of its kind between the EU and Belarus, continued.

Belarus has been eligible since 2016 to access EIB lending and a facilitated EBRD approach. The first EIB loans were signed on 20 November (EUR 84 million), co-financed by the EBRD, for the upgrade of the wastewater treatment facility in the capital, Minsk. The EIB will also finance investment projects

and the working capital needs of private companies, in particular SMEs (EUR 75 million). Under the Eastern Europe Energy Efficiency and Environment Partnership (E5P) – a multi-contributor trust fund managed by the EBRD – a contribution agreement has been signed for EUR 5.2 million, and the first project will be construction of a new landfill site in Pukhovichi.

Georgia

The EU and Georgia have consolidated their relations in 2018. A high-level meeting among members of the European Commission and the Georgian government took place in Brussels on 21 November 2018. In line with the Association Agenda and the ‘20 Deliverables for 2020’, priority actions for future cooperation have been agreed.

The Single Support Framework 2017–2020, indicating priorities for EU financial support, contributes to the implementation of the Association Agreement and key structural and institutional reforms. Georgia’s five-point reform programme demonstrates its ambition to strengthen relations with the EU.

Overall, the implementation of commitments stemming from the Association Agreement, including its DCFTA, has continued within agreed timelines. The EU is supporting Georgia to reap the full benefits of economic integration through the implementation of the DCFTA. As of December 2018, 562 businesses had received financial support through loans (for a total investment value of EUR 105 million), supporting over 21 000 new jobs and creating over 7 600 new jobs. In 2018, in their first year of operation, the DCFTA Information Centres in four regions reached out to 1 500 SMEs.

Thanks to progressive alignment of technical regulations to EU standards, Georgia continues to strengthen its participation in international value chains. Preliminary data for 2018 confirm the importance of the EU as a trade partner for Georgia – in 2017 it accounted for 24 % of overall trade. The opening of the EU market to new animal-origin products from Georgia was an important milestone. Nevertheless, additional efforts are needed to stimulate exports and improve the trade balance between the EU and Georgia.

Georgia has made progress in reforming the justice sector, with considerable EU support. Access to justice is facilitated through the government’s Legal Aid Service, which provides services to more than 45 000 people annually, both in the capital and via 19 offices around the country. However, important challenges remain to consolidate the progress achieved and safeguard the rule of law. Reforms to the judiciary are expected to continue, with special attention to transparency and accountability in the process of appointing judges.

Between 28 March 2017 (when the visa-free regime came into force) and 1 September 2018, around 300 000 Georgian citizens with a biometric passport enjoyed short-term visa-free travel to the Schengen area. The country has continued implementing overall visa benchmarks and, in particular, taking measures to tackle irregular migration. Nevertheless, there was still an increase of unfounded asylum requests in a number of EU Member States.

The first European School outside the EU was opened in Tbilisi in September 2018 as a clear recognition of Georgia’s vision and strong commitment to education reform. EU support in this area focuses on establishing closer links between the education system and the labour market, notably through increased mobility for students, teachers, researchers, academic staff and young people.

The programmes approved under the 2018 bilateral allocation (EUR 134 million, including a EUR 40 million top-up from the 'Umbrella' programme) will support the implementation of the Association Agreement, including Georgia's increased participation in 'Erasmus+' as well as actions on strategic communication. A PFM programme will reinforce economic governance and democratic accountability in Georgia, while a holistic programme on security, accountability and combating crime will strengthen good governance, the rule of law and citizen security. Blending operations will support energy efficiency in public buildings as well as projects on solid waste, water supply in the Adjara region and lending of local currency.

In 2018 there were six ongoing budget support programmes (EUR 302 million, including the technical assistance component) on justice, DCFTA and SMEs, PAR, European Neighbourhood Programme for Agriculture and Rural Development (phases II and III) and skills development and matching for labour market needs.

Moldova

The invalidation of the mayoral elections in Chisinau in June 2018 – won by opposition leader Năstase – was regarded as non-transparent by the EU and other international actors. The adoption of a fiscal reform package that led a capital amnesty component raised concerns at the IMF and among other international partners about money laundering. The package was amended in November 2018 in line with IMF recommendations, but some shortcomings remain. As of December 2018, those responsible for the 2014 major bank fraud have not yet been brought to justice, preventing any significant progress in the recovery of assets. Reform of the justice sector has not advanced significantly, and the use of pre-trial detention and non-transparent judicial proceedings remain common. The media landscape remains characterised by the concentration of media ownership and monopolisation of the advertising market.

In light of these developments, the EU has decided to substantially recalibrate and reduce its financial assistance, focusing on and redirecting its support to projects that have a direct impact on Moldovan citizens.

The annual action programme for 2018 focused on:

- supporting inclusive economic empowerment of focal regions Ungheni and Cahul;
- contributing to confidence-building measures between the two banks of the Nistru River;
- strengthening the rule of law and anti-corruption mechanisms;
- supporting implementation of the Association Agreement in Moldova through EU horizontal programmes (e.g. 'Erasmus+' and Horizon 2020) and a dedicated programme on gender.

On the economic and financial side, Moldova has continued to make some progress in the implementation of reforms in line with the Association Agreement/DCFTA (AA/DCFTA). Monetary and fiscal policies have been consolidated, and some structural reforms are being implemented, notably in the banking sector. However, challenges in the domain of rule of law continue to affect the overall business and investment climate.

The EU continued to consolidate its position as Moldova's main trading partner, accounting for 56 % of its total trade (68 % of total exports and 49 % of total imports). The agricultural sector has benefited the most from the DCFTA since its entry into force, with a 44 % growth in exports.

EU assistance has also helped to achieve tangible improvements in the lives of citizens. Several projects completed in 2018 contributed to energy efficiency in public buildings including schools and kindergartens (biomass project), improved road infrastructure (building of the Ungheni bypass) and youth and educational exchanges ('Erasmus+'). In December 2018, the Palanca border crossing point, operated jointly by customs and border guards from Moldova and Ukraine, began operation following EU investment. The EU has supported settlement of the Transnistrian conflict, strengthening the stability of a country directly bordering the EU. In addition, EU-supported confidence-building measures have successfully increased dialogue between Chisinau and Tiraspol through joint initiatives involving local authorities, CSOs and other stakeholders from both sides. More than 71 000 people on both sides of the Dniester River benefit directly from the supported social infrastructure projects (health and community centres, water treatment plants, etc.).

Regarding budget support for Moldova in 2018, seven programmes (total multi-annual value EUR 257 million) were in place on energy, visa liberalisation, VET, trade (DCFTA), public finance policy reforms, rural development and police reform in addition to Macro-Financial Assistance (MFA) (total value EUR 100 million). Due to democratic backsliding, as of December 2018 all payments under the MFA and EU budget support programmes have been put on hold.

Ukraine

The overall environment for the implementation of EU assistance to Ukraine remained favourable in 2018, even though reform progress slowed down in some areas. Progress was also observed in the area of government-led contributor coordination with the first National Donor Coordination Forum, chaired by Prime Minister Groysman, which took place in December 2018.

Support for the implementation of the AA/DCFTA continued to be high on the political dialogue agenda in 2018. The EU continued to implement a comprehensive programme of financial and technical assistance in support of Ukraine's ambitious reform agenda with the AA/DCFTA as the main guiding framework.

Territorial reorganisation and decentralisation of competencies continues to be one of the most successful reforms in Ukraine. The 'U-LEAD with Europe: Ukraine local empowerment, accountability and development' programme helps to establish multilevel governance that is transparent, accountable and responsive to the needs of the population. The programme is a joint effort of the EU, Denmark, Estonia, Germany, Poland and Sweden (total budget EUR 102 million). 'U-LEAD with Europe' covers two main components: capacity building at all levels and establishment of up to 600 new administrative service centres in newly amalgamated municipalities (*hromadas*). There is particularly close coordination with other international contributors.

The EU Anti-Corruption Initiative consolidated its support for the newly created specialised anti-corruption bodies and, notably, was instrumental in Ukraine's adoption of a law establishing a new High Anti-Corruption Court, including the recruitment of judges.

Reform of the judiciary continued in 2018 with an intensive accompanying policy dialogue focusing on the establishment of the new Supreme Court. Together with other international partners, the EU

provided advice and support for the selection of new judges. With regard to rule of law, the new 'PRAVO' programme has supported establishment of a new unit to fight organised crime, among other things, and continues to support the Ministry of Justice on improving strategic planning and enforcing reforms.

The EU continues to sustain an intensive policy dialogue with the government on PAR at various levels. Following an OECD SIGMA baseline measurement of Ukraine's public administration, a revised PAR Strategy and Action Plan until 2021 was adopted in December 2018. A formal high-level policy dialogue took place in April to assess progress on implementation of the PAR strategy and jointly define key challenges for 2018.

Considering that PFM is a priority area for EU–Ukraine relations, a EUR 50 million financing agreement on PFM was signed in 2018 to:

- support effective and sustainable economic management;
- boost trade and help create an attractive business climate;
- improve delivery of public services;
- ensure efficient use of partner contributions;
- help attain development goals.

As part of its continuing efforts to mitigate the effects of the conflict in eastern Ukraine, the EU launched the Special Measure for the East (EUR 50 million). This aims to reinforce social and economic resilience in the government-controlled areas of Donetsk and Luhansk through a variety of interventions, including the following:

- extended support for local governance,
- economic development,
- social cohesion and community security,
- healthcare reform,
- support for disrupted university courses and reforms in vocational education,
- access to finance for SMEs,
- support for agricultural development.

Energy efficiency is one of the Ukrainian government's top priorities. Increased energy savings will promote energy independency and reduce the burden of increasing prices both on the state budget and for households. In 2018, the EU started implementing the first phase of the 'Energy Efficiency' support programme for Ukraine (EE4U, EUR 50 million), designed to support the Energy Efficiency Fund in making investments for individual households or groups of households (homeowner associations).

On the Ukrainian side, the Energy Efficiency Fund was finally established during the summer. In November 2018, a Commission decision was adopted to finance the second phase of the EE4U (EUR 54 million).

Education, including VET, is another top priority for the Ukrainian government. The government's ownership of initiating cooperation in this sector offered an excellent opportunity to have a parallel and significant impact also on the education and labour sector and on overall economic development.

In 2018, the 'Better skills for modern Ukraine – EU4Skills' programme was adopted, helping to modernise the VET system and make skills development demand-driven and responsive to labour market needs. This intervention also complements other ongoing EU-supported reforms, such as PSD, decentralisation and PAR.

Regarding budget support, there were three ongoing programmes (total multi-annual value EUR 185 million) during 2018 to support PAR, regional policy and energy strategy.

Regional cooperation

The year 2018 was characterised, among other things, by implementation of the '20 Deliverables for 2020'. This demonstrated the concrete vision and commitment by all partners to improve the lives of all citizens in line with the four key priority areas of **economic development, connectivity, good governance and people-to-people contact**.

Concerning market opportunities and **economic development**, more than 40 regional and bilateral programmes under the 'EU4Business' initiative continued as the key collective tool to deliver concrete support for development of SMEs, complementing national reform plans. In the context of the DCFTAs established between the EU and Georgia, Moldova and Ukraine, the EU has put in place the DCFTA Facility for SMEs in collaboration with the EBRD, EIB and KfW. The facility will receive approximately EUR 200 million in grants from the EU budget to unlock at least EUR 2 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 Local Currency Partnership Initiative (European Fund for Southeast Europe), the launch of EIB Local Currency Phase 2 and the approval of EIB DCFTA Guarantee Facility Phase 2. These programmes aim to improve access to local currency finance for SMEs in Eastern Partnership countries.

In the area of **connectivity**, to develop the digital economy, the Eastern Partnership countries have affirmed their commitment to reduce roaming tariffs within a set date. To this end, they have adopted a joint roadmap towards the signature of a regional roaming agreement among the Eastern Partners by 2020. In addition, support for policy work in six priority topics (electronic communications and infrastructure, trust and security, eTrade, digital skills, ICT innovation and start-up ecosystems and eHealth) is streamlined through the 'EU4Digital' initiative and the related technical assistance programmes. Finally, through the EU blending facility, the NIP, grant funding will leverage loans from partner international financial institutions for investments in broadband. The EIP also provides EUR 1.5 billion of financial guarantees to attract private sector investments in a number of areas, including Digital for Development. A first portfolio of digital projects will focus on

de-risking investments in 'last mile' infrastructure (¹⁰⁴), digital services infrastructure and innovative instruments to support the scaling-up of digital start-ups.

Continuing in the area of connectivity, regarding energy efficiency, in 2018 regional cooperation focused on the four deliverable priorities. Milestones included implementing new regional programmes to promote evidence-based policymaking and efficient water resource management, as well as adopting extension of the TEN-T into the Neighbourhood East region. The Energy Efficiency Financial Institutions Group established a multi-contributor Energy Efficiency Fund in Ukraine and the first-ever large-scale energy efficiency programme for public buildings in Georgia. The year 2018 was also a success for the EU's largest climate and energy initiative in the Eastern Partnership with the number of Covenant of Mayors signatories growing to more than 390 since 2014, the highest number among all NEAR regions.

In the area of **good governance**, to strengthen the rule of law, anti-corruption mechanisms and justice sector reform for the Eastern Partnership countries, the EU continued its long-standing cooperation with the Council of Europe under the Programmatic Cooperation Framework. The programme was renamed 'Partnership for good governance' in 2017 to better reflect the priorities of the Eastern Partnership. 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 are all at the core of the joint EU–Council of Europe efforts in the Eastern Partnership countries – efforts that are already showing some concrete results on the ground. For example, investment in legal reform on conflicts of interest and asset declarations has resulted in the establishment of e-Asset declaration systems for high-level officials in Armenia, Georgia, Moldova and Ukraine. When the data submitted by relevant institutions are effectively verified and failure to submit is sanctioned, these new systems become powerful tools to detect and prevent conflicts of interest. They can also help to show close links between politics and business. Moreover, under the 'Eastern Partnership police cooperation programme', further support was provided to reinforce Eastern Partnership countries' capabilities in terms of combating serious and organised crime as well as to foster cooperation on police issues related to cross-border crime.

In the areas of **mobility** and **people-to-people contacts**, increased emphasis has been put on youth partnerships, education and employment opportunities. This was highlighted by the November 2017 Eastern Partnership Summit, which endorsed as one of the '20 Deliverables for 2020' a new Youth and Education Package (EUR 340 million) with the aim of creating the necessary conditions for young people to study, work and participate fully in society and fulfil their potential. One core element of the Package is the 'EU4Youth' programme (total EU funding EUR 30 million 2016–2022), which strives to improve youth employment prospects – notably for disadvantaged young people – by fostering their entrepreneurial potential and helping them develop indispensable skills for the labour market. The programme encompasses 84 small capacity-building projects (Civil Society Fellowships and Partnerships for Entrepreneurship) and 6 large projects addressing challenges for youth entrepreneurship and disadvantaged young people, already benefiting more than 6 000 young people. The second phase of 'EU4Youth' was adopted in December 2018. This invites new proposals on social entrepreneurship, new capacity-building projects and activities supporting establishment of the Youth Engagement Roadmaps. The European School in Tbilisi has been operational since

¹⁰⁴ 'Last mile' telecommunications technology carries signals the short distance from the network to and from homes or businesses.

September 2018, with 30 diploma students from all partner countries. A scholarship scheme covering tuition and boarding costs is in place for approximately 30–35 new students per year for 2018–2021. The pre-feasibility studies for the second phase are underway. Education and youth cooperation have been further supported by ‘Erasmus+’ with over 1 500 bilateral projects among EU and Eastern Partnership higher education institutions, 25 000 individuals participating in academic exchanges, 30 000 young people involved in youth exchanges, mobility and volunteering and 1 700 schools involved in eTwinning Plus. The participation of countries in Creative Europe (for Armenia, Georgia, Moldova and Ukraine), Europe’s Competitiveness of Enterprises and Small and Medium-sized Enterprises and Horizon 2020, including the Marie Skłodowska-Curie actions, opens new cooperation opportunities for administrations, businesses, cultural and audiovisual operators, researchers and other professionals. Additionally, the network of 500 Young European Ambassadors from EU Member States and the 6 partner countries contributed to raising the profile of the EU in the region.

CBC overview: Neighbourhood East and South

CBC is an important element of EU policy towards its eastern and southern neighbours, adding cohesion and territorial cooperation to EU relations. The year 2018 marked the initial implementation of the package of 15 ENI CBC programmes (13 of which are in the east) for the period 2014–2020 (totalling around EUR 1 billion). By the end of the year, 17 of the 18 financing agreements signed with participating partner countries in the European Neighbourhood East entered into force. In addition, the designation of managing authorities located in the respective participating Member States was completed for nine programmes. The projects to be implemented under these programmes 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 and environment and climate change. In 2018, all programmes launched their first and even second and third calls for proposals for regular projects, while the EU approved 54 direct-award large infrastructure projects.

3.5.1.3 Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

After more than four years of conflict, the humanitarian situation in eastern **Ukraine** has deteriorated as the protracted nature of the conflict has eroded the standard of living of those most affected. The EU is one of the largest humanitarian contributors – in 2018, it contributed EUR 24 million. This has benefited 500 000 people living along both sides of the line of contact and in the non-government-controlled areas. The EU has been delivering much-needed food and non-food items, winterisation assistance, shelter repairs and water, sanitation and hygiene assistance, medical assistance, protection and livelihood support. Furthermore, the EU has been at the forefront of advocacy efforts to raise the visibility of this forgotten crisis on Europe’s doorstep, promoting humanitarian principles and international humanitarian law and striving to enhance the situation of IDPs. While supporting the Humanitarian–Development Nexus approach, relevant Commission services have released a Joint Humanitarian–Development Framework for Ukraine 2017–2020.

3.5.1.4. Crisis response and preparedness

In 2018, IcSP involvement in the crisis in **Ukraine** continued. New interventions focused on further supporting the OSCE Special Monitoring Mission (SMM), providing psychosocial assistance to veterans and facilitating their reintegration in society as well as building capacity for protection of civilians in eastern Ukraine. In addition, the IcSP is supporting civic engagement of adolescents and young people in the conflict-affected areas, and it launched an innovative action on cybersecurity in connection with the elections in Ukraine, to be implemented in 2019.

The IcSP has been supporting the OSCE SMM since 2014 and, as of December 2018, has supported mission staff costs, the monitors themselves and purchase of equipment such as unmanned aerial vehicles, infrared cameras, etc. In addition, through a special agreement with the European Satellite Centre, the mission receives satellite imagery, which has proven to be indispensable in monitoring difficult terrain. Renewed IcSP support for the SMM will help it reduce tensions, foster peace, stability and security, and ensure respect for OSCE principles and commitments.

The IcSP also started to support grass-roots CSOs to increase resilience to conflict and strengthen social cohesion. Working with local organisations and media, this action is bringing people together across various divides to improve perceptions of the 'other', empowering communities to address their shared issues. A new programme also helps the authorities develop appropriate policy responses targeting ex-combatants. Psychosocial assistance centres established under a previous IcSP action are providing professional support to the target group and their families, piloting multidisciplinary approaches which can then be taken up by state services. At the same time, ex-combatants will be able to avail themselves of livelihood opportunities to aid their reintegration as civilians. Finally, awareness campaigns and incentive schemes will encourage ex-combatants to voluntarily surrender any illegally held weapons, which represent a growing threat to Ukrainian society.

At the end of 2018, the IcSP launched an innovative action on cybersecurity in relation to the upcoming elections in Ukraine. This action, which will run in 2019, aims to strengthen the capacity of a number of crucial participants in the electoral process and provide cyber hygiene training and technical cybersecurity exercises to decision makers and IT specialists. In addition, the action will foster the exchange of best practices in the area by supporting study visits and peer exchange between electoral administrators and cyber experts in Ukraine and selected EU Member States.

In addition, implementation of a pilot action to reduce harm to civilians began in 2018, helping the Ukrainian government initiate the necessary reforms in policy and practice. With new doctrines, training and organisational structures to protect civilians and investigate, track and analyse harm to civilians, the aim is to help the Ukrainian government include civilian protection at every stage of operations, including planning, execution, assessment and strategic and tactical revision.

The IcSP continues to be a major supporter of confidence-building and conflict-prevention actions in the **south Caucasus**. The Confidence Building Early Response Mechanism (Coberm) has been a particularly successful initiative, and in **Georgia** it has developed into an EU brand standing for neutrality, transparency and quality. Similar to IcSP engagement in Georgia, the other protracted conflict in the region in which the IcSP is engaged is **Nagorno-Karabakh**, where the 'European partnership for the peaceful settlement of the conflict over Nagorno-Karabakh' programme is

supporting media initiatives, conflict-affected groups and facilitation of a negotiated peaceful settlement.

3.5.1.5. Working better together, contributor effectiveness and contributor coordination

Most countries in the European Neighbourhood East have been engaged in joint programming in 2018, the pace and scope of which is determined by the country context.

In **Armenia**, the joint analysis established and endorsed in 2016 by EU Member States has been extended, updated and endorsed in 2018 by international organisations present in the country. The extended joint analysis focuses on 23 sectors, which are largely in line with the priority sectors identified in the governmental Armenian Development Strategy. The joint analysis is positively perceived by EU Member States and the Armenian government, and it was used as a basis for preparing multi-annual programming of EU assistance (Single Support Framework 2017–2020). It was used throughout 2018 for EU coordination and, more generally, for the reinforcement of contributor coordination.

In **Azerbaijan**, the EU supported the government's active role in contributor 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). EU+ joint programming in Azerbaijan has focused on VET, in which a number of partners, including EU Member States and other countries such as Norway and Switzerland, are active. In 2018, an EU+ joint analysis of the VET sector was conducted.

In **Belarus**, regular exchanges on policy analysis and coordination continued with EU Member States and other partners, informed by the joint analysis conducted in 2016. This includes an annual contributor coordination meeting that took place in Brussels in April 2018.

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 EU bilateral cooperation with Georgia until 2020. The joint analysis continued to form the basis for cooperation in 2018, facilitating closer synergies and avoiding duplication of aid efforts.

For **Moldova**, the joint programming process led to the finalisation of a Joint Programming Document in November 2017. This strategy, involving EU institutions, EU Member States and Switzerland, was presented on 28 February 2018 to the Moldovan government. The joint programming process has enhanced the exchange of data among European partners and improved the coherence of European policy dialogue in the country.

In **Ukraine**, the government has been taking an increasingly active role in contributor coordination. This is driven by a number of factors, including increased capacity of line ministries to engage in strategic planning and contributor coordination (as one of the results of the ongoing PAR), the prime minister's decision to establish a high-level 'partnership for development' forum and the government's adoption of medium-term budgeting. At the sectoral level, the adoption of a number of laws, strategies and action plans at various times since July 2017 significantly enabled strategic dialogue with partners in different areas (e.g. agriculture, energy, SME development, transport, e-governance, environment, PFM, education, health, law enforcement, gender). A number of other sectors already have effective contributor coordination mechanisms in place (e.g. decentralisation,

energy efficiency, PAR, financial sector, etc.). At the 'partnership for development' forum, the prime minister set out his priorities for 2019 and committed to convening several more meetings of the forum in 2019. This represents a significant step forward in establishing an effective platform for high-level strategic coordination of external assistance, which had previously been largely absent.

Contributor coordination is also part of discussions under the Eastern Partnership Platforms and Panels, enabling more strategic and coordinated support for the partner countries. Efforts were made to improve coordination with international financial institutions as well as the UNDP, including dedicated regional workshops held throughout 2018.

In 2018, the EU fostered its research and innovation cooperation with Eastern Partnership countries. Various activities were performed through the Horizon 2020 Policy Support Facility aiming to improve the framework conditions of EU scientific cooperation with Moldova and Ukraine. The progress achieved was acknowledged in the respective Association Council statements.

3.5.1.6. Working towards SDGs

Principally guided by the revised ENP and the priorities established at the Eastern Partnership 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 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 framework for monitoring progress were put in place. The aim is to mobilise technical expertise and involve senior officials in a process that would accelerate actions in the next phase of the Eastern Partnership until 2020.

Peer-to-peer instruments, TAIEX and Twinning also actively contributed to support the overall reform process in line with EU political priorities.

3.5.2. European Neighbourhood South

3.5.2.1. Introduction: ENI priorities and policy developments

The EU continued to design and support initiatives to promote political, societal, economic and security resilience of the European Neighbourhood South countries throughout 2018. In line with the 2015 ENP review, new policy and cooperation frameworks were adopted. The EU and **Tunisia** agreed on strategic priorities for 2018–2020, focusing on inclusive and sustainable socioeconomic development, democracy, good governance and human rights, mobility and migration as well as security and combating terrorism. Tunisia benefited again from a significant package of financial assistance in 2018 (EUR 305 million), confirming EU willingness to support key reforms in a critical period of democratic consolidation. The Single Support Framework 2018–2020 for **Algeria** was adopted, focusing on economic governance and diversification, local development and participatory democracy, energy and climate-related actions. The **EU–Morocco** Action Plan implementing advanced status was extended for one year. The **EU–Jordan** Association Council agreed on a two-year extension of the Partnership Priorities until the end of 2020. The first drafts of the Partnership Priorities with **Israel** and **Palestine** have been prepared for discussion with EU Member States in

early 2019. The action plans for both Israel and Palestine were prolonged for three years at the end of 2018.

The EU intensified dialogue with its Neighbourhood partners on migration, both at bilateral and regional levels, following adoption of the June 2018 European Council conclusions. The EU continued to mobilise all its tools, including the various trust funds and bilateral and regional programmes, in order to improve migration and border management in the region, address the root causes of irregular migration and protect and help those in need in **Egypt, Libya, Morocco** and **Tunisia**.

Mitigating the impact of the protracted crisis in **Syria** remained a constant priority throughout 2018. In April, the EU co-chaired with the UN the Brussels II Conference on Supporting the Future of Syria and the Region, which reaffirmed EU support for the Syrian people and to Syria's neighbouring countries. The conference brought together 86 delegations including 57 states, 10 representatives of regional organisations and international financial institutions and 19 UN agencies. More than 250 NGOs, including from Syria, were closely associated with the conference. The international community confirmed EUR 3.9 billion in funding to support humanitarian, resilience and development activities in 2018 and EUR 3.2 billion from 2019 to 2020 in response to the Syrian crisis. This included pledges to the Syria Humanitarian Response Plan, the 3RP and the International Committee of the Red Cross Syria Crisis appeals. Since then, the EU has been tracking the conference pledges and has updated the international community and its partners on different occasions. A record level of 140 % (USD 6 billion) of the amount pledged at Brussels II materialised into concrete commitments on the ground. As part of the UN General Assembly in September 2018, the EU hosted a ministerial meeting on the Syria crisis. HR/VP Mogherini and Commissioner Stylianides chaired the meeting and attracted a high level of participation and engagement, especially by countries from the region, the main contributors and EU Member States. With more than EUR 10.8 billion mobilised in humanitarian and resilience assistance, the EU, collectively with EU Member States, remains the main contributor for Syrians and Syrian refugee-hosting communities, notably in Jordan and Lebanon.

The EU continued to respond actively to ongoing crises and conflicts in the region, notably through its support of UN-led peace processes in Syria, to the process of stabilisation in Iraq and to the search for a two-state solution to the Israeli–Palestinian conflict.

The cluster approach – putting on a single agenda all the priority topics that the EU discusses bilaterally with partners – was adopted to examine security in a number of European Neighbourhood South countries, such as Algeria, Egypt, Jordan, Lebanon and Tunisia.

The EU continued its firm support for resolving the Israeli–Palestinian conflict with a two-state solution. It appointed Ms Terstal as new EU Special Representative for the Middle East Peace Process in September. In March the EU also organised a first international contributors conference for the construction of a Central Desalination Plant in Gaza.

Through the EIP and the EFSD, which includes an innovative guarantee fund to attract additional private investment by reducing risk, the EU worked actively to partner with international financial institutions and the private sector. On 18 December, the EU announced the signing of the first such guarantee, the Nasira Risk-Sharing Facility, which will use EUR 75 million of EU funds to leverage up to EUR 750 million of investments for entrepreneurs in the European Neighbourhood South and Africa. This is expected to create 800 000 jobs. The EU continued to push for increased contributor

coordination and improved and coordinated policy dialogue to boost key economic reforms in partner countries and enhance the impact of aid. In this context, the EU led a first joint high-level mission with leading international financial institutions in Tunisia in July.

3.5.2.2. Implementation

Bilateral cooperation, including budget support

Algeria

In Algeria, in line with the objective of the new Single Support Framework 2018–2020 adopted in May 2018, the EU devoted its efforts to diversification of the economy, still heavily dependent on hydrocarbon resources as of December 2018. The 2018 ‘Support diversification of the economy’ annual action programme (EUR 45 million) aims to support Algeria’s transition to a green and circular economy and to reinforce the ongoing capacity-building programme for local development actors (CapDel). At the end of 2018, the EU delegation’s portfolio of ongoing projects amounted to EUR 247 million, while the portfolio of ongoing EU projects in the three Maghreb countries (Algeria, Morocco and Tunisia) amounted to EUR 2.4 billion.

Egypt

In Egypt, a total amount of EUR 112 million was committed in 2018 to provide basic services to the most vulnerable, promote the sustainable management of water and energy resources and support the private sector and civil society. Part of this support will leverage additional financing from European financial institutions (under the EIP), in particular for wastewater, sanitation and energy efficiency projects. The EU contribution of EUR 460.2 million in blending grants since 2008 has, as of December 2018, succeeded in leveraging approximately EUR 8.85 billion in loans. Under the NIP in 2018, a EUR 45.8 million programme for the depollution of the Kitchener Drain and the Mediterranean Sea was signed, a EUR 20 million wastewater treatment project for Alexandria West was approved and a EUR 15 million agreement for the promotion of MSMEs across the country was signed.

As of December 2018, the socioeconomic situation remains fragile, and so the EU remains committed to mitigating the negative effects of economic reforms on vulnerable populations. Indeed, the EU continued a dialogue with Egyptian partners responsible for vulnerable groups (the National Council for Childhood/Motherhood and the National Council on Disability Affairs) and education (the Ministry of Education) to promote social justice. In addition, the EU supported vocational training through the TVET II programme, focusing on improving the structure and performance of the national system. In January 2018, the EU signed a EUR 27 million financing agreement to support the National Population Council in implementing its National Population Strategy 2015–2030, addressing the important challenges that the rapidly increasing population presents for sustainable development within the country.

Israel

Being an OECD member country, Israel received project-based technical assistance available to public bodies, mainly in the form of long-term Twinning programmes and short-term interventions via TAIEX, which allows the exchange of EU public bodies’ best practices and *acquis communautaire*.

In 2018, support via the Twinning instrument amounted to EUR 1.8 million and targeted the education and telecommunication sectors.

Covering both Palestine and Israel, the EU Peacebuilding Initiative aims to support and promote the conditions for a sustainable resolution of the Israeli–Palestinian conflict through positive civil society projects. The delegations in Israel and Palestine manage the programme together.

Jordan

In Jordan, the EU supported the government's efforts to unlock the growth potential of the country and create jobs while, at the same time, protecting the most vulnerable. In line with the objectives of the Investment Conference to be held in London in February 2019, a significant amount of the bilateral envelope (EUR 89 million) was devoted to innovation-related and PSD programmes. In addition, the EU adopted a new programme to support the country's integrated border management. The EU also supported the efforts of the Jordanian administration for modernisation and accountability and delivered actions supporting the establishment of an e-voting system in parliament, reinforcing the Independent Electoral Commission and accompanying the adoption of a new Public Finance Management Reform Strategy 2018–2021. A new budget support programme – aiming to establish a legal aid system and apply sanctions other than detention – was also launched to help the Ministry of Justice advance its reform process. Additional actions were implemented to improve the legal and institutional framework of the National Employment–Technical and Vocational Education and Training (E–TVET) sector and to reinforce the capacities of both the TVET providers and the quality of assurance bodies.

Lebanon

At the 'Conférence économique pour le développement, par les réformes et avec les entreprises' (CEDRE) in Paris in April 2018, the EU supported implementation of Lebanon's 'Vision for Stabilisation, Growth and Employment'. The EU pledged to support the Capital Investment Plan through the provision of technical assistance and blending. In that respect, EUR 25 million was mobilised in 2018 to support growth and job creation as well as to promote innovation and entrepreneurship in support of Lebanon's transition to clean energy use. Given the environmental challenges facing the country, the EU delegation organised several environment-related events in 2018 to attract Lebanese green entrepreneurs and promote the preservation of clean air, land and marine biodiversity. At the Rome II Conference in March 2018, the EU announced a EUR 50 million package to further support the Lebanese security sector, underscoring its continued commitment to security and stability. Delivering on the pledge, the EU continued to support overall stabilisation of the country by launching a EUR 18 million programme promoting the rule of law, enhancing security and countering terrorism. The EU also adopted a new programme to improve airport security.

Libya

The security situation remains a challenging factor for implementation of the cooperation programmes in Libya. As of December 2018, operations continue to be remotely managed from Tunis, where the delegation is temporarily based. Throughout 2018, the EU focused its efforts on assisting the country's transition towards a stable, functioning state that is accountable to its citizens, in line with UN mediation efforts. The 2018 Special Measure in favour of Libya included actions towards the economy, governance and CSOs (EUR 17 million). The EU also supported the

improvement of the Libyan business environment and economic diversification, with a special focus on young people and women's employment.

Morocco

Although Morocco has made good progress in terms of economic development since 2015 with an annual average growth in GDP of 4 %, considerable disparities in the redistribution of the benefits of that growth at territorial level and in society remain, particularly with regard to job creation for young people. In this context, the EU provided a comprehensive package of EUR 182 million to encourage more inclusive socioeconomic development. It included support for:

- the decentralisation process, in order to accelerate the development of rural or mountain areas;
- the integration of youth into society, especially those with the least opportunities;
- public administration through modern PFM tools and capacity building of personnel;
- development of the private sector, green investment and MSME in order to create new opportunities for job creation and sustainable development.

Morocco benefited from budget support amounting to EUR 160 million in 2018.

Palestine

Given the lack of political horizons for the peace process and the stalling of reconciliation among Palestinian factions, the EU reviewed its engagement in the MEPP in order to increase the efficiency and effectiveness of its support. On financial cooperation issues, the review concluded that:

- the EU should focus more on building up the capacities and functions of a future state;
- it should increase its leverage on reforms with an incentive-based approach to the Experimental Programme of Automated Management and Security (Programme d'Expérimentation d'une Gestion Automatisée et Sécurisée, Pegase) mechanism;
- over time, it should shift its emphasis away from subsidies towards investment in the productive economy;
- it should make more use of 'triangulation' by including the Israeli authorities in the programmes.

These conclusions are being implemented as of December 2018.

EU support for Palestine continued to cover a wide range of areas, including capacity building, democratic governance and socioeconomic development. In 2018, total contributions approached EUR 350 million. Support targeted the provision of public services through the Pegase mechanism, the East Jerusalem health programmes and a programme to produce self-sufficient water and energy services in which the EU invests in long-term water, energy and sanitation infrastructure

across the territory¹⁰⁵). A cash transfer programme targeted the most vulnerable families and the 'East Jerusalem programme' addressed the worsening socioeconomic and cultural conditions of Palestinians living in the eastern part of the city. In order to tackle the unprecedented funding issue of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the EU responded rapidly, committing EUR 153 million in 2018. The Commission held a strategic dialogue with UNRWA and, together with hosting countries, initiated important work to identify ways of tackling the structural deficit and ensuring core services continue to be provided to Palestinian refugees.

Syria

The EU remains at the forefront of contributors to Syrian refugees and host communities through the activities of the EU Regional Trust Fund in Response to the Syrian Crisis (EUTF for Syria). The EUTF for Syria aims at addressing longer-term resilience needs of the more than five million Syrian refugees in the region as well as supporting their host communities and local administrations. With contributions and pledges amounting to more than EUR 179 million in 2018, its total budget reached EUR 1.65 billion. As of December 2018, the EUTF for Syria has reached 1.9 million beneficiaries through projects ranging from health and education to economic opportunities and water, sanitation and hygiene. Education and protection-related actions also show good progress, with more than 200 000 children and young people now having access to basic and higher education, psychosocial support and protection against gender-based violence. In addition, 4 684 local organisations, institutions and facilities, mainly educational and hospital facilities but also MSMEs, received support.

Inside Syria, EU assistance was scaled up in the field of protection and area-based approaches, aiming to protect space for local civil society and for social cohesion. The 2018 Special Measure (EUR 31 million) aimed at preserving the prospects for an inclusive political transition by supporting civic participation and promoting people's rights as avenues for peace and stability. These actions complemented the portfolio of projects funded under the ENI since 2011 in the following sectors:

- education,
- livelihoods,
- human rights,
- transitional justice and accountability,
- housing,
- land and property rights documentation,
- support for civil society,
- women's empowerment.

¹⁰⁵ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual position of the Member States on this issue.

Severely impacted by the consequences of the Syria crisis, the EU continued to stand firmly by **Jordan** and **Lebanon** and support their stability and resilience.

Tunisia

Tunisia is one of the major bilateral recipients of EU support in the region with around EUR 300 million in grants per year to support its political and economic transition. As of December 2018, Tunisia remains a major beneficiary of the ‘Umbrella’ programme that allows the increase of European financial support to partners working towards democracy and regulating human rights. On 12 July 2018, a high-level mission of European and international financial institutions, led by Commissioner Hahn, went to Tunis to reiterate the international community’s support for Tunisia’s reform efforts.

In line with the commitments taken in the 2016 Joint Communication ‘Strengthening EU support to Tunisia’, the programmes launched in 2018 reflect the ambition of the EU to support the adoption of reforms, support Tunisian civil society and accompany the country in its transition to democracy. The new ‘Jeunesse en action’ programme (EUR 60 million) promotes better inclusion of Tunisian youth (13–30 years old) in political, economic and social terms, particularly those from the most deprived areas. Other newly adopted programmes aim to:

- reinforce the capacity of local administrations to stimulate development and provide better access to basic local services (EUR 70 million);
- contribute to the reinforcement and restructuring of the economic environment, particularly for start-ups and entrepreneurship (EUR 15 million).

Tunisia benefited from budget support amounting to EUR 65.6 million in 2018.

Migration

The EU continued to play a pivotal role in driving forward policies and programmes aimed at stemming the influx of irregular migrants to the EU. In that sense, EU contributions to European Neighbourhood South countries for tackling migration challenges and their root causes was crucial.

In 2018, the EUTF for Africa continued to save lives and tackle the root causes of destabilisation, forced displacement and irregular migration. Actions focused on the protection and support to those in need, the fight against trafficking in human beings and smuggling of migrants and the return and reintegration of migrants to their countries of origin by promoting development and security. The EUTF for Africa further consolidated its achievements by approving 45 new actions and 13 ‘top-ups’ of ongoing actions, which brings the total number of approved actions to 187, for a total of EUR 3.6 billion.

The central Mediterranean route ⁽¹⁰⁶⁾ remained the main challenge and focus of attention regarding irregular migration in 2018. Overall, this year saw a fall of 80 % in irregular arrivals to Italy compared to 2017. However, in 2018, the situation and migratory pressure along the route continued to be at the centre of attention, in particular because conditions of migrants and refugees in Libya remains a

¹⁰⁶ https://ec.europa.eu/europeaid/sites/devco/files/council-decision-overseas-association-2013-755_en.pdf.

cause for great concern. Along the western Mediterranean route, there was a substantial increase in irregular border crossings from Morocco to Spain.

Under the North of Africa window of the EUTF for Africa, the pace of implementation of actions ensuring stability and addressing root causes of irregular migration and displaced persons in North of Africa countries continued with new programmes worth EUR 586.2 million approved in 2018.

Through a EUR 144 million package adopted in record time at the end of 2018, the EU stepped up its efforts to fight the smuggling of migrants and human trafficking across the whole of the western Mediterranean route by reinforcing Morocco's border management capabilities. The programme was funded by both the EUTF for Africa and budget support under the ENI.

In 2018, Libya was a key priority for the Commission, where the number of migrants was estimated to be almost 700 000, among whom 57 546 were registered as refugees and asylum seekers by the UN's High Commissioner on Refugees. The EU stepped up cooperation with international partners, including in the framework of the AU–EU–UN Taskforce, to accelerate action in Libya in order to provide life-saving assistance to those in need, enhance the resilience of host communities in Libyan municipalities, support border management and fight the vicious economy of smugglers and traffickers.

Regional cooperation

In 2018, the EU continued to promote regional cooperation in the European Neighbourhood South through sector policy dialogue with regional organisations such as the UfM, the League of Arab States and the Council of Europe.

In the UfM context, a Trade Ministerial Meeting was held in March 2018, giving new impetus to the dialogue on economic integration in the Euro-Mediterranean region. Cooperation was discussed on specific trade issues, such as sanitary and phytosanitary measures. Ministers highlighted the close link between promotion of trade and enhancing investment. The meeting contributed to increased synergies in regional and bilateral cooperation.

The EU continued to support dialogue among energy regulators, energy efficiency and renewable energies agencies (e.g. the Association of Mediterranean Transmission System Operators; the Mediterranean Association of National Agencies for Energy Management; the Regional Center for Renewable Energy and Energy Efficiency; the Mediterranean Energy Observatory (Observatoire Méditerranéen de l'Énergie)) and natural gas suppliers regarding the integration of energy markets, the development of renewable energies, the promotion of energy efficiency and the facilitation of regulatory convergence. Similarly, regional projects in the transport sector provided technical assistance to the national authorities with the long-term objective of making transport in the region safer, more efficient and more environmentally friendly.

Ongoing environment-related projects focus on developing circular economies, meeting the objectives of the Barcelona Convention on biodiversity and depolluting the Mediterranean Sea. Commission services not only help national authorities to implement their domestic sustainable and consumption plans, but also assist individual companies that have invested in resource-efficient processes.

In view of the shrinking space for CSOs across the region, engagement with civil society was reinforced. The EU launched several region-wide actions on harnessing the efforts of young people to contribute to peace. These actions also encouraged proactive participation of young people in the preservation of cultural heritage through skills and capacity development as well as knowledge transfer. In support of pro-democratic CSOs, movements and individuals, a new programme was launched with the European Endowment for Democracy. The Civil Society Forum for the European Neighbourhood South confirmed itself as a credible and inclusive platform for dialogue among CSOs, EU institutions and regional entities, where regional policy agendas can be shared and debated. This new 'Hub for Dialogue' is working towards increased ownership of the process by CSOs.

EU assistance in the European Neighbourhood South continued to enhance economic governance and create an enabling business environment by fostering responsible investment policies and regional trade integration, approximating EU policies, regulations and standards. By improving access to finance, mobilisation of funds and investments for the region made a big difference to SMEs and innovative entrepreneurship in particular. Moreover, efforts to attract cooperation with and support from the private sector helped to develop closer synergy with the EIP. The importance of blending operations through the NIP was reaffirmed as a powerful instrument to leverage significant additional financial resources for EU objectives and as a tool to increase collaboration among financing institutions. Finally, the EU continued to fully exploit the potential of economic development for job creation, particularly for young people, and tackling the economic root causes of migration.

3.5.2.3. Humanitarian aid and civil protection: Responding to the emergency needs of people affected by conflicts and disasters

Libya: The EU launched a Nexus approach in the health sector in conjunction with the WHO and other partners. There was enhanced coordination between the humanitarian aid instruments (EUR 9 million) and the EU's own instruments through the development of a matrix to delineate responsibilities in line with the instruments' respective mandates.

Algeria (Sahrawi crisis): The IcSP launched an 18-month project (EUR 800 000) to strengthen youth resilience and counter potential radicalisation, broadening the range of EU instruments (EUR 9 million of humanitarian aid) responding to this protracted, forgotten crisis. In order to raise awareness about this crisis and broaden the partner base, the EU organised a second joint mission with EU Member States.

Tunisia: A second disaster risk reduction project was successfully launched, and a contribution was made to the peer review of the Tunisian civil protection system under the EU Civil Protection Mechanism. An Administrative Arrangement between Commission services and the Tunisian National Office of Civil Protection was signed. Good progress was made on implementation of the two Administrative Arrangements with southern Neighbourhood countries (Algeria in 2016 and Tunisia in 2018). For instance, in April 2018, for the first time, a subregional exercise was implemented in Algeria by France, with the participation of Algeria, Italy, Poland, Spain and Tunisia thanks to EU funding. This exercise aimed at improving international cooperation in simulation of a devastating earthquake.

Neighbourhood South Regional: The 'Prevention, preparedness and response to natural and man-made disasters, Region South, Phase III' (PPRD SOUTH III) programme started in February 2018. It

will strengthen prevention, operational assistance and response capacities, promote volunteer programmes and provide better communication tools to reach out to the population on emergency procedures.

3.5.2.4. Crisis response and preparedness

As of December 2018, the European Neighbourhood South remains a priority for stabilisation engagement under the IcSP, with regard to the Iraq, Libya and Syria crises in particular. In 2018, 12 new IcSP exceptional assistance measures were adopted in this context. The IcSP addresses five key priorities of the EU's diplomatic agenda in the Middle East and North Africa.

In **North Africa**, IcSP interventions targeted the situation in **Libya** where the re-establishment of a state presence, the facilitation of community inputs to the national peace process, local mediation initiatives and mine action are at the core of EU efforts to help stabilise the country. Similarly, conflict prevention is at the core of an IcSP intervention in **Algeria**, adopted in March 2018, to support Sahrawi youth by promoting a culture of peace. In **Tunisia**, the IcSP will renew its support to strengthen intelligence capacities as well as terrorism-related investigations, prosecutions, adjudications and penitentiary management by relevant Tunisian authorities in line with international standards.

The **Syria crisis** continued to be at the centre of IcSP crisis management efforts in the Middle East, both inside Syria and in neighbouring countries, including **Lebanon** and **Jordan**. IcSP support has covered a wide range of thematic areas, including stabilisation work (demining), delivery of non-humanitarian assistance to the population in Syria (education) and support for dialogue initiatives (including the UN-brokered peace talks in Geneva), transitional justice and accountability. In Lebanon, IcSP interventions were designed to secure Beirut–Rafic Hariri International Airport against illicit trafficking and the threat of terrorism and for deployment of the Lebanese Armed Forces south of the Litani River.

Further east, in **Iraq**, IcSP interventions aim to support stabilisation and the reduction of tensions by helping Iraq draft, among other things, a human-rights-compliant counterterrorism strategy supporting national reconciliation and assisting with demining in areas of the country recently liberated from Da'esh.

In the **West Bank**, the IcSP was further mobilised to improve human security through mine clearance and to avert further crisis through ensuring UNRWA service continuity.

Actions on **counterterrorism** and the **prevention of violent extremism** also represent a major endeavour region-wide. Besides the bilateral actions in Iraq and Tunisia, a regional initiative with CEPOL provided training to selected security agencies, while local initiatives to prevent radicalisation were put in place in selected communities in the region.

3.5.2.5. Working better together, contributor effectiveness and contributor coordination

The year 2018 saw greater coordination of EU Member State actions. In **Palestine** in particular, the EU works together with its Member States under the umbrella of the European Joint Strategy in support of Palestine (2017–2020). This was the first European joint strategy for Palestine endorsed locally by Heads of Mission in December 2016 and approved by the Commission as the EU strategy in December 2017. This three-year strategy aligns with the Palestinian National Policy Agenda 2017–

2022. In 2018, European Development Partners started to hold joint policy dialogue with the Palestinian National Authority on the basis of the jointly designed Results-Oriented Framework. The Joint Programming Document for Egypt received the support from the capitals and headquarters in September 2018, with the objective of fostering an enhanced division of labour and coherence of European cooperation in Egypt.

In several other countries, in the absence of a global joint programming exercise, the EU led efforts at sector level to enhance coordination and improve the exchange of information between the EU and its Member States. For example, this was the case in **Morocco** in the sectors of governance, migration and gender.

The EU also devoted substantial efforts to enhancing coordination with international, European and Arab financial institutions working in the Neighbourhood South. High-level meetings with financing partners were organised as part of the World Bank–IMF spring meetings in April 2018. In addition, throughout the year, EU services and financing institutions met frequently at technical and operational levels to increase the coherence of EU operations and, therefore, maximise their impact. Gathering together the main multilateral finance institutions, the Luxembourg Group met in January and December. On 12 July 2018, Commissioner Hahn led the first joint high-level mission in Tunis with eight European and international financial institutions (AFD, AfDB, EBRD, EIB, IFC, IMF, KfW and the World Bank) operating in the Neighbourhood South. The aim of the mission was to collectively encourage key Tunisian stakeholders (government, parliament, representatives of civil society, trade unions and the private sector) to reactivate Tunisia’s socioeconomic reform programme and, notably, to step up efforts to:

- stabilise public finances;
- stimulate PSD;
- alleviate social pressure.

Furthermore, the Southern Mediterranean Investment Coordination Initiative, by achieving synergy among the EU, the Member States and European finance institutions, continued to inform EU activities in the Neighbourhood South relating to growth, facilitating investments and creating jobs.

Blending operations under the NIP proved again to be powerful instruments in leveraging significant additional financial resources for EU objectives and in increasing cooperation with financing institutions. For example, the EU Initiative for Financial Inclusion, launched in 2016, raises the EU’s profile and increases coordination with European finance institutions. Its Coordination Platform met twice in 2018 to discuss the priorities and potential for providing future support for the private sector in the Neighbourhood South, with an emphasis on access to finance. As of December 2018, the initiative has sustained more than 210 000 jobs and supported the creation of around 50 000 new jobs.

3.5.2.6. Working towards the SDGs

In 2018, by implementing the revised ENP, the EU continues to contribute to the pursuit of several SDGs in the European Neighbourhood South. Its primary focus is on good governance, the rule of law and human rights (SDG 16) to help consolidate democracy in several countries, both through the adoption of new policy and cooperation frameworks and through concrete cooperation programmes

in such countries as Jordan, Lebanon and Tunisia. Support for decent work and economic growth (SDG 8) and industry, innovation and infrastructure (SDG 9) has featured prominently in EU cooperation through bilateral (Algeria, Egypt, Jordan and Lebanon) and regional programmes aimed at enhancing investments, developing the private sector and making the business environment more attractive. Support for affordable and clean energy (SDG 7) and climate action (SDG 13) has also been provided both bilaterally (in Egypt, and in Lebanon to support the transition to clean energy) and at regional level. In almost all countries in the region, the EU supports basic needs and inclusive human development (health, SDG 3, and education, SDG 4), in particular for the most vulnerable, for migrants and for refugees.

Regional cooperation

Access to **professional, credible and pluralist media** is an essential safeguard for a healthy democracy. In the framework of the 'OPEN media hub' programme, almost **2 000 media professionals** in the wider neighbourhood have been trained since the start in 2016. The OPEN Media Hub has worked with 471 media outlets (225 in Neighbourhood East and 246 in Neighbourhood South), and 280 have signed a memorandum of understanding for deeper engagement. This impressive outreach has also been yielding results in terms of **improved quality of content** and **professionalism**. The regional dimension of the programme has been equally successful. The networks created over time have been fostered through numerous **networking events, study tours** and other relevant activities. For example, in 2018, the first International Conference on Journalism (Assises International du Journalisme) in Tunis brought together more than 800 journalists from Neighbourhood South for lively discussions covering a wide range of topics. With regard to migration specifically, synergy was sought with another EU-funded programme called 'EMM4', which takes the form of a **Migration Media Award**. This has yielded another set of excellent networking opportunities for policymakers and for journalists representing all kinds of media, celebrating journalistic excellence and promoting balanced reporting on migration.



3.6. The OCTs

3.6.1. Introduction

The Overseas Association Decision (OAD) ⁽¹⁰⁷⁾ establishes the legal framework for relations among the OCTs ⁽¹⁰⁸⁾, the Member States to which they are linked and the EU. On the basis of the Treaty on the Functioning of the European Union, the purpose of the association is to promote the economic and social development of the OCTs, to establish close economic relations between them and the EU as a whole and to promote EU values in the wider world.

¹⁰⁷ https://ec.europa.eu/europeaid/sites/devco/files/council-decision-overseas-association-2013-755_en.pdf.

¹⁰⁸ The OCTs depend constitutionally on four of the EU Member States: Denmark, France, the Netherlands and the United Kingdom. The 25 EU OCTs are: Anguilla, Aruba, Bermuda, Bonaire, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Curaçao, Falkland Islands, French Polynesia, French Southern and Antarctic Territories, Greenland, Montserrat, New Caledonia, Pitcairn Islands, Saba, Saint Helena and Dependencies, Saint Martin, Saint Pierre and Miquelon, Saint Barthélemy, St Eustatius, South Georgia and the South Sandwich Islands, Turks and Caicos Islands and Wallis and Futuna.

In this context, the EU provides financial support to the OCTs via the OAD, mainly through the EDF, with EUR 364.5 million allocated under the 11th EDF–OCT for 2014–2020.

The 11th EDF–OCT resources available to the OCTs are split into the following allocations, based on Annex 2 of the OAD:

- EUR 229.5 million for territorial (bilateral) allocations to 16 OCTs, in accordance with the criteria established in the Decision;
- EUR 100 million for regional cooperation and integration;
- EUR 21.5 million in Envelope B to finance humanitarian and emergency assistance;
- EUR 5 million to finance interest subsidies and technical assistance through the OCT Investment Facility managed by the EIB;
- EUR 8.5 million for studies and technical assistance.

Regional programmes seek to foster cooperation among OCTs in the same region that share similar challenges and priorities. Partnerships with other funding sources, including other EU financial instruments, are encouraged through cooperation with the neighbouring ACP and/or third countries as well as the EU's outermost regions.

In addition to territorial and regional programmes, an allocation for the 'Thematic programme' – an 'all-OCTs' programme – will foster inter-OCT cooperation.

Furthermore, Greenland is funded directly by the EU general budget based on the Greenland Decision⁽¹⁰⁹⁾, allocating EUR 217.8 million to cooperation of mutual interest for the period 2014–2020.

Institutional political and policy dialogue is conducted regularly throughout the year according to the governance foreseen in the OAD. Therefore, in 2018, four tripartite meetings were held (with the European Commission, relevant EU Member States and the OCTs), two Partnership Working Parties were organised (covering trade issues, financial services and other subjects of common interest) and the high-level OCT–EU Annual Forum took place in Brussels in February 2018.

3.6.2. Implementation

Part Four of the OAD establishes a programming process specific to OCTs. Unlike the ACP countries, programming is not based on National Indicative Programmes, but organised around elaboration of a Programming Document with two components: the EU Response Strategy (Part A) and the Action Document (Part B).

Only one decision is taken by the European Commission to approve OCT Programming Documents, covering both the strategic orientations and the detailed programme design. OCTs maintain the

¹⁰⁹ The European Council's decision on relations between the EU on the one hand and Greenland and the Kingdom of Denmark on the other (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0137&from=EN>) allocates EUR 217.8 million for the period 2014–2020 to encourage cooperation between the Union and Greenland in an area of mutual interest.

primary responsibility for the establishment of Programming Documents, ensuring the necessary consultation of local stakeholders.

As of December 2018, sectoral priorities have now been made for all territorial and regional programmes under the 11th EDF or the EU budget. They are presented below, with the number of OCTs that have chosen this sector as the priority for their bilateral programme:

- education (four OCTs)
- tourism (three OCTs)
- energy (two OCTs)
- connectivity (two OCTs)
- water/sanitation (one OCT)
- resilience (one OCT)
- youth (one OCT)
- digital development (one OCT)
- sustainable development (one OCT)
- employment (one OCT).

Budget support is the preferred implementation modality for territorial allocations in the OCTs. This represents a positive shift away from the project modality previously used in several OCTs. Budget support offers an efficient way of addressing cross-cutting, and long-term and structural challenges, to focus on the results of national policies and maintain a constructive policy dialogue.

Bilateral cooperation, including budget support

With the adoption of the 11th EDF Programming Documents for both Montserrat and Saint Helena, 13 out of 17 OCTs with a territorial allocation including Greenland have finalised their programming, as of December 2018.

In 2018, under the 11th EDF, EUR 65.62 million was disbursed, and EUR 96.2 million in total (counting EU budget contributions to Greenland) was paid in favour of OCTs.

The Caribbean region

In September 2017, two Category 5 hurricanes impacted several Caribbean OCTs, bringing life-threatening winds, storm surges and heavy rainfall that resulted in widespread damage to housing and basic infrastructure. The most severely affected OCTs were Anguilla, the British Virgin Islands, Saint Barthélemy, Saint Martin and the Turks and Caicos Islands. Montserrat, Saba and St Eustatius were also badly affected.

Commission services worked actively together with OCT authorities to ensure that 11th EDF territorial and regional programmes were adjusted to address the post-hurricane situation in the OCTs and to support them in their resilience efforts. In addition, the non-allocated Envelope B under

the 11th EDF was mobilised in 2018 (EUR 15.04 million) for post-emergency assistance to the benefit of Anguilla, the British Virgin Islands, Montserrat, Saint Martin and the Turks and Caicos Islands.

In 2018, sustainable energy, education, economic growth, tourism, employment, digital development, connectivity and technical assistance were the key areas of budget support programmes across the region.

Regarding **sustainable energy**, the disbursements of the budget support programmes in Saba and St Eustatius were completed, resulting in increased resilience of the sector, renewable energy production and more stable grids.

In the **education** sector, progress was made through the (ongoing) budget support programmes of Anguilla and Turks and Caicos, making primary and secondary education and TVET more relevant in meeting the needs of both current and future labour markets.

As for **economic growth**, 2018 also saw the adoption of the 11th EDF Programming Document for Montserrat to foster development in areas such as renewable energy and tourism. This budget support programme represents a continuation of the 10th EDF programme in support of the island's sustainable development plan.

The Pacific region

On **tourism**, both French Polynesia and the Pitcairn Islands made progress on their sectoral policy, attracting tourists and generating employment. For the Pitcairn Islands, this programme represents a continuation of the 10th EDF budget support programme on tourism, which was completed in 2018.

In the **employment sector**, New Caledonia narrowed unemployment rates through efforts on technical and vocational training.

On **digital development**, Wallis and Futuna has made considerable progress on its digital strategy. At a time when digital accessibility is essential and can boost the whole economy, the programme supports the rollout of the Tui-Samoa broadband cable to Wallis and Futuna in particular ⁽¹¹⁰⁾, delivering high-speed broadband connectivity.

Other OCTs

Both the Falkland Islands and Saint Helena benefited from **connectivity** programmes under the 11th EDF. In Saint Helena, the Programming Document was adopted in the course of 2018, and progress was made on implementation of the digital strategy. In the Falkland Islands, the first steps were taken towards improving the delivery of transport- and connectivity-related infrastructure.

On **tourism**, Saint Pierre and Miquelon has seen improved accessibility for tourists such that in the 2018 peak season Saint Pierre was 'booked out'.

Greenland

Greenland benefited from a contribution of EUR 30.36 million from the 2018 EU budget under the 2014–2020 programme, focusing on **education**, and EUR 0.25 million to provide **technical**

¹¹⁰ The Tui-Samoa submarine cable runs between Apia, Samoa and Suva, Fiji, with landing stations in Savai'i, Savusavu and Wallis and Futuna.

assistance. This programme is helping to reform the elementary school system, improve the management skills of school directors, upgrade the skills of existing teachers and update the country's education strategy for 2019–2022.

Regional cooperation

In 2018, all three 11th EDF Regional OCT Programming Documents were adopted.

In the **Pacific**, the regional programme 'Protege' (*Projet régional océanien des territoires pour la gestion durable des écosystèmes*, EUR 36 million), signed in February 2018, supports sustainable and resilient development in the region by protecting biodiversity and renewable natural resources. It builds on the 10th EDF regional programme 'Integre' (*Initiative des territoires pour la gestion régionale de l'environnement*, EUR 12 million), that supported integrated coastal management and reinforced regional cooperation on sustainable development.

For the **Indian Ocean**, the regional programme (*Programme Régional d'appui dans le secteur de l'observation, de la gestion et de la préservation des écosystèmes terrestres et marins*, EUR 4 million), signed in February 2018, aims to improve the surveillance and observation of terrestrial and marine ecosystems in the French Southern and Antarctic Lands, restoring ecosystems and reinforcing impact prevention mechanisms. The 10th EDF regional programme focused on the sustainable management of the natural heritage of Mayotte and the Scattered Islands (EUR 3 million).

In the **Caribbean**, the 'Resembid' (Resilience, Sustainable Energy and Marine Biodiversity Regional Programme, EUR 40 million), signed in October 2018, will strengthen environmentally sustainable economic development by focusing on resilience, sustainable energy and marine biodiversity. It will upgrade the outdated infrastructure and increase its energy efficiency, improve protection and sustainable management of marine biodiversity and increase resilience to extreme and recurrent natural events. Under the 10th EDF, the ongoing Caribbean regional programme also supports development of SMEs (EUR 15 million).

On the ongoing 10th EDF all-OCTs 'Territorial strategies for innovation' thematic programme, work has been done to help the OCTs diversify their economies and improve their competitiveness through, among other things, nine pilot projects in Aruba, Bonaire, the British Virgin Islands, Curaçao, French Polynesia, New Caledonia, Saint Helena, Saint Pierre and Miquelon and St Eustatius.

Formulation of the 11th EDF all-OCTs thematic programme also made progress throughout 2018, with sustainable energy and climate change being the two focal sectors. The financing decision by the Commission for the programme is expected for early 2019.

Finally, through an operating grant in 2018, Commission support helped the Overseas Countries and Territories Association fulfil its mandate by facilitating dialogue between the EU and the partners and consolidating the partnership.

4. Managing aid

4.1. Monitoring systems

4.1.1. New reporting system on SDGs

At the end of 2018, the DAC Working Party on Development Finance Statistics agreed to incorporate SDG reporting in DAC financial statistics. A full set of data will be available in 2020, and this will feature in the 2020 Annual Report on 2019 figures as well as in OECD statistics. It was decided, on practical grounds, that EU reporting on SDGs will be done at goal level for commitments and payments. This will be of a transversal nature and allow several SDGs to be allocated to a single project. The results will allow for aggregated statistics on how much was committed and disbursed towards individual SDGs.

4.1.2. 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, sectoral or based on instruments or budget support. They also monitor and support the evaluations carried out by other services that oversee projects and programmes.

In 2018, the evaluation services published 10 strategic evaluations, comprising:

- four thematic evaluations on PCD, SSR, social protection and sustainable energy;
- two regional evaluations on cooperation with eastern and southern Africa, the Indian Ocean and West Africa;
- three country-level evaluations on EU cooperation with Afghanistan, Azerbaijan and Côte d'Ivoire;
- one budget support evaluation on cooperation with Cambodia.

In December 2018, strategic evaluations were in progress under the following categories:

- 1) Eleven thematic/instrument evaluations on:
 - a) conflict prevention and peacebuilding;
 - b) CSOs and local authorities (separately for sub-Saharan Africa, Asia–Pacific and Latin America and the Caribbean and for enlargement and Neighbourhood countries);
 - c) VET for sustainable and inclusive growth;
 - d) state-building contracts;
 - e) the EU Emergency Trust Fund for Africa;
 - f) the sector approach under IPA II;
 - g) the rule of law in enlargement and Neighbourhood countries;

- h) twinning;
 - i) EU information centres in enlargement and Neighbourhood countries;
 - j) migration.
- 2) Two regional-level evaluations in Central Africa and Latin America.
- 3) Seven country-level evaluations, in:
- a) Armenia;
 - b) Central African Republic;
 - c) Croatia;
 - d) Mali;
 - e) Myanmar;
 - f) Nicaragua;
 - g) Serbia.
- 4) Two budget support evaluations, in:
- a) El Salvador;
 - b) Rwanda.

The next section presents a brief summary of each evaluation published in 2018.

4.1.2.1. Summary of strategic evaluations

Thematic evaluations

Evaluation of EU policy on PCD (2009–2016)

The objective here was to provide EU institutions, EU Member States, CSOs, academia and other stakeholders with an independent assessment of the EU PCD actions, taking into account objectives that were likely to affect developing countries. The evaluation focused on PCD mechanisms that the EU has put in place to respond to challenges and commitments. It concluded that the EU takes a lead role on PCD internationally. Although the EU has continued to improve the existing policymaking framework by introducing successive changes, PCD mechanisms have limited efficiency. The evaluation highlighted that the effectiveness of the EU PCD approach could be improved. It concluded that impact assessments and inter-service consultations play a far more significant role in promoting PCD in the policy formulation process and that measuring the impact of PCD remains challenging.

Evaluation of EU support for SSR in enlargement and Neighbourhood countries (2010–2016)

The evaluation was conducted to help strengthen democratic accountability and transparency and improve policy and practice through evidence-based learning. It confirmed that the EU achieved positive effects through its promotion of EU values and interests in the enlargement and Neighbourhood regions. A major strength of the EU's financial support for SSR lies in the range of funding modalities it can draw on to provide assistance. Closer linkage with the bilateral programmes of EU Member States is desirable to multiply the effects of EU support for SSR. The evaluation also concluded that there are a number of areas where the 2016 Joint Communication on an EU-wide strategic framework has yet to become fully operationalised and is still struggling to achieve results. Producing successful results in SSR requires a long-term, strategic approach by the EU that is flexible and responsive to changing beneficiary contexts and needs and which acknowledges that SSR is a highly technical as well as an intrinsically political process. During the time frame of the evaluation, the EU struggled to plan and implement interventions that consistently met these foundational prerequisites for successful SSR engagement.

Evaluation of EU support for social protection in external action (2007–2013)

The evaluation assessed the extent to which EU support for social protection contributed to achieving its objectives. The geographical scope included all third regions and countries covered by the IPA (including Croatia but excluding Iceland), the European Neighbourhood and Partnership Instrument/ENI (except Syria and Libya), DCI and EDF.

Although EU actions have contributed to tangible progress in the fight against social exclusion and alleviation of poverty, effective country-level success has not yet been achieved. The sustainability of many effects/benefits achieved remains fragile. Implementation modalities have been used in a reasonably effective and efficient way. In particular, the use of budget support has contributed to policy reforms while supporting the implementation of specific social protection schemes with a range of partners. While there has been complementarity between the instruments used by the EU to support social protection and the EU has made efforts to link social protection interventions to other interventions (e.g. humanitarian assistance, food security), the level of synergy achieved has remained limited. Moreover, the use of global thematic programmes to support social protection could be strengthened.

Evaluation of the EU's sustainable energy cooperation (2011–2016)

This evaluation covers 11 initiatives or instruments for EU sustainable energy support to partner countries in three main intervention areas: policy dialogue, capacity development and investment support. The geographic focus was on sub-Saharan Africa and, to a more limited extent, Asia–Pacific and the Caribbean. The evaluation concluded that EU sustainable energy cooperation was well conceived and has led to results that have improved the policy environment and increased capacity and prospects for sustainability. Although interventions were well aligned where national or regional sector frameworks were sound, EU support was relatively unambitious in its aim to bring about reform. The EU took a lead in establishing strong coordination of and added value to Member States' efforts. Focus on promoting private sector engagement in the energy sector was well conceived but was hampered by lack of an enabling environment, capacity constraints and support that did not

match local private sector capacity. The evolution from grant financing of investment to use of financial instruments was sound although not without its challenges.

Regional evaluations

Evaluation of cooperation with eastern and southern Africa and the Indian Ocean (2008–2015)

The final evaluation concluded that important results were obtained in all three priority areas (regional integration, peace security and stability, and natural resources management), although resources could have been used more efficiently and progress towards reaching objectives and sustainability was uneven. The EU's overall strategic interest in regional integration was not sufficiently operationalised at the level of political or policy dialogue, and political dialogue did not address contentious issues. Support for activities beyond the core role of the Duly Mandated Regional Organisations (DMROs) tended to dilute their *raison d'être*. Contributors should refocus their support on DMRO core business and on the areas of support that are likely to yield results. Non-state actors, particularly the private sector, are important drivers for regional integration and should be more involved in the future.

Evaluation of EU cooperation with the West Africa region (2008–2016)

This study covers all focal sectors of regional cooperation with 15 Member States, namely:

- regional peace, security and stability,
- regional economic integration,
- transport,
- energy,
- food and nutrition security,
- agriculture and resilience,
- natural resource management.

EU regional support paved the way for developing common methodologies for use by all West African countries in fundamental areas such as PFM or the prevention of food and nutrition crises. EU support facilitated the drafting and adoption of policies that were essential for strengthening regional integration. However, the sustainability and impacts of EU-funded regional cooperation actions are rather low. The main factors accounting for these limited performances are superficial ownership by the various West African stakeholders, the inaptitude of regional organisations to discharge the duties entrusted to them by their Member States and shortcomings in the formulation of the regional programmes supported by the EU.

Among others, one important recommendation is to support a revival of regional cooperation based on a common vision of regional integration.

Country evaluations

Evaluation of EU cooperation with Afghanistan (2007–2016)

The evaluation covers EU cooperation with Afghanistan during the period 2007–2016 and assesses its relevance, effectiveness, efficiency, coherence, coordination and complementarity as well as EU added value, potential negative effects and gender as a cross-cutting issue. The evaluation shows that the gradual streamlining of the EU portfolio towards fewer and larger contracts and the increased proportion of funding in the form of contributions to multi-contributor trust funds (resulting in higher support on-budget) has had multiple benefits. It also highlights the importance of continuing to use a mix of on-budget and off-budget interventions and of taking into account the absorption capacities of the government. A major added value of EU support has been its reliability and continuity, which is widely appreciated by stakeholders and has led to tangible outcomes and impacts. Another instance of EU added value has been the relative independence of its support from geopolitical interests.

Evaluation of EU cooperation with Azerbaijan (2011–2016)

The portfolio of EU assistance projects in Azerbaijan had a strong emphasis on Twinning, TAIEX and grants to CSOs and a relatively modest reliance on technical assistance operations. This configuration appears to have suited the needs and preferences of Azerbaijani institutions (in the case of Twinning and TAIEX) and the opportunity to pursue EU policy objectives regarding democratisation and human rights (grants to CSOs). As of December 2018, under these conditions, the balance among the various instruments could well be retained for the future.

The three focal areas (regional and rural development, justice sector reform, and education and skills development) should be kept by the Single Support Framework as they are well aligned with both country needs and EU objectives. In addition, future programming could consider more emphasis on the development of private sector activities outside agriculture, which is of importance to support the strategic objective of economic diversification. Finally, measures should be devised to strengthen the monitoring of CSO-implemented actions to ensure that, apart from the difficulties originating from the operating environment, activities are more efficiently implemented and documented.

Evaluation of cooperation with the Côte d'Ivoire (2007–2015)

This evaluation considers that, with EUR 629.5 million committed and EUR 531.5 million disbursed, the EU has been able to use its uninterrupted presence during the 2002–2011 conflict and its diplomatic position to support successive governments, and it has thus contributed to the reconstruction of the country.

However, contextual and institutional factors, including policy dialogue, have limited the relevance, effectiveness and efficiency of cooperation. At sectoral level, the EU's decision to move out of the health sector overlooked the important challenges facing the country, whose inhabitants had a life expectancy much lower than the average of sub-Saharan African countries in 2012.

Thus, the evaluation recommends that, in future, the EU should take better account of the factors affecting fragility and the challenges of persistent social and regional disparities and of creating shared and sustainable growth.

Budget support evaluations

Evaluation of EU budget support in Cambodia (2011–2016)

This evaluation provides evidence of the contribution of two budget support operations (the ‘Education sector policy support programme 2011–2013’ and the ‘Education sector reform partnership 2014–2016/17’) to the achievement of the education sector goals of the Cambodian government.

The evaluation concludes that the budget support programmes were effective in influencing the achievement of the reforms targeted in the government’s education policy (Education Strategic Plans) and that these reforms contributed to improving education outcomes. The complexity of pivotal reforms, sector capacity constraints and insufficient scaling resulted in slower progress than initially planned by the Cambodian government, but this progress would have been even slower without the budget support programmes.

4.1.3. Lessons learned

This section provides key emerging lessons from some of the evaluations of EU cooperation finalised in 2018 by Commission services.

Evaluation of EU policy on PCD (2009–2016)

The evaluation confirmed the EU’s political will on PCD, expressed as a common position of the EU and its Member States. This constitutes a key element underpinning the sustainability of the EU PCD approach. The evaluation revealed that there is a lack of clarity among institutional stakeholders concerning the extent of EU commitment to PCD. It highlighted that the EU PCD approach remains relevant at the strategic level, but that at operational level it needs to be adapted to the new SDG context. Measuring the impact of PCD remains challenging because of a lack of suitable baselines, targets or indicators linked to PCD.

Evaluation of EU support for SSR in enlargement and Neighbourhood countries (2010–2016)

The evaluation found that EU actors have not systematically developed and agreed on a common set of SSR objectives for each IPA and ENP beneficiary; nor have they routinely engaged in shared analysis of SSR as a precursor to joint planning and programming in the pursuit of overall agreed objectives for SSR in each beneficiary. A lack of commitment on the part of key beneficiary political elites has created a particular constraint on EU efforts to promote SSR and helps to explain why a significant number of EU-supported reform processes have not advanced significantly beyond procedural compliance. The EU can become more strategically focused in translating beneficiary needs and capacities into assistance that is consistent with EU political objectives. This includes:

- performing regular assessments of beneficiary needs and capacities;

- routinely assessing beneficiary political and capacity constraints on EU programming, sequencing EU support to address such constraints and adopting an iterative approach to EU support;
- being clear about the pathways by which change will occur by developing a fine-grained understanding of the individuals and institutions that need to be involved in reform efforts, mapping out the steps that are essential to promote change and avoiding the assumption that technical activities by themselves can achieve high-level political objectives.

Evaluation of cooperation with eastern and southern Africa and the Indian Ocean (2008–2015)

EU regional support under EDF 10 and EDF 11 was aligned with and relevant to the formal regional integration agenda, but partners' commitment and capacity were overestimated. In other words, this support underestimated the underlying assumptions and real incentives and interests affecting the progress of regional integration in a complicated context with overlapping memberships of the DMROs. However, weaknesses were addressed in the EDF 10 mid-term review. The EDF 11 adjustments and approach heeded these lessons and, generally, headed in the right direction. In particular, the EDF 11 Regional Indicative Programme recognised the need for a strong dual regional/national approach and for a stronger private sector role.

In areas that go beyond the DMROs' role of facilitating regional solutions and where the DMROs are not the natural partners, applying the subsidiarity principle⁽¹¹¹⁾ and entrusting implementation to specialist regional organisations has been shown to be effective.

Evaluation of EU cooperation with Afghanistan (2007–2015)

Regarding sectoral EU support, the evaluation finds that in the agriculture and rural development and health sectors, institutional capacities and policy frameworks have been improved and this has positively affected service delivery. This, in turn, has contributed to improving people's lives by enhancing agricultural productivity and incomes, reducing maternal and child mortality rates and improving local governance. However, in the democratisation and accountability and policing and rule of law sectors, EU-funded interventions have produced mixed results, with improvements associated mainly with capacity development and service delivery projects in the areas of budgeting and public sector management. The impact of interventions that aimed at increasing civic engagement and citizen participation in the democratic process has been limited.

The evaluators also conclude that a general shortcoming at the programme level is that monitoring has been mainly output oriented with less attention paid to tracking and verifying outcomes and impacts.

Evaluation of EU cooperation with Azerbaijan (2011–2016)

EU assistance to Azerbaijan was well aligned with national priorities and EU policy objectives and able to adjust to changes in external conditions. The growing emphasis placed by the government on

¹¹¹ Article 5(2) of the TEU: 'Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.'

the need to diversify the economy was met with a larger proportional allocation to socioeconomic development and human capital development.

On the other hand, the effectiveness of EU assistance initiatives was moderately satisfactory. In certain cases (namely, actions implemented via CSOs) the reduced space for civil society activities played a significant role. In general, performance was better in the case of actions pursuing objectives with a high ‘technical’ content (e.g. the improvement of certain procedures, the development of new tools), whereas initiatives with high-level policy and political implications (e.g. the promotion of renewables) sometimes met with resistance and performed less well. Nonetheless, the EU should continue providing support to CSOs, which remain essential partners in the pursuit of strengthening democracy and the protection of human rights and fundamental freedoms.

Evaluation of EU budget support in Cambodia (2011–2016)

Budget support was found to help reforms progress, but this was mostly when reforms were also government priorities. Progress on many education reforms only occurred or accelerated after 2013, when a new minister was appointed and education became an explicit government policy. Similarly, the evaluation found that the EU-led Capacity Development Partnership Fund was pivotal in moving governance reforms forward, but only if these reforms were also driven by the government. However, even when reforms were a priority for the government, this was no guarantee that progress would be fast or steady. Regardless, this progress would have been even slower without the EU budget support programmes.

Budget support also contributed to more effective aid delivery by signalling that country systems can be used and by anchoring the sector partnership and dialogue.

4.2. Aid delivery modalities

4.2.1. Budget support, PFM

Budget support remained an important instrument in the architecture of European external action; in 2018 it was used in 91 countries or territories and represented about 35–40 % of EU bilateral ODA.

SRBCs have been a valuable instrument in stabilising post-conflict and fragile situations. They continue to be implemented in countries like Afghanistan, Central African Republic and Gambia. More than any other type of contract, SRBCs aim to support partner countries’ vital state functions in delivering basic services to populations, thus contributing to addressing the causes of fragility and to promoting stability and state building. The new SDG contracts, introduced by the updated budget support guidelines in 2017, have started taking shape in countries like Ghana and Senegal. The largest sectors for the sector reform performance contracts are agriculture, education, energy and health. The revised budget support guidelines also led to a simplification of processes, notably through more targeted reporting in the disbursement dossiers.

In 2018, a total of EUR 1.83 billion was newly committed and EUR 1.67 billion was paid through budget support. Sector reform performance contracts remain the most used contracts (73 %), followed by SRBCs (17 %) and SDG contracts (10 %).

The 2018 OECD DAC Peer Review recognises the EU global leadership in development and points to its innovative use of budget support, encouraging ownership and inclusiveness in partner countries.

EU budget support was thus seen as fostering development effectiveness. The OECD DAC Peer Review highlighted the innovativeness of the SRBCs in particular.

Example from budget support: Somalia

A roadmap and an SRBC were negotiated with Somalia and signed in mid-October 2018. The risks in this country were recognised, but so too were the opportunities created by the tangible progress made by the current administration in the implementation of a security and economic reform agenda and a more inclusive approach to politics. PFM, including DRM, have been areas of progress since 2017, in particular concerning improvement of institutional capacity and less constrained financing. From the security perspective, the SRBC comes at a crucial time of planned transition from the AU Mission in Somalia to Somali security forces. The SRBC is expected to support the reform process, create a comprehensive platform for a dialogue, strengthen intergovernmental relations and reinforce national institutions and service delivery.

In 2018, a study on indicators used to define performance in budget support covered the 213 budget support programmes started between January 2014 and December 2017. Besides technical conclusions, the study also pinpointed features for further analysis. For example, the fact that, on average, only 70 % of variable tranches are disbursed seems to indicate the incentive nature of these disbursements. It is also noteworthy that the thematic analysis of the indicators shows a clear preponderance of SDG 16 (which includes PFM), SDG 2 (zero hunger) and SDG 4 (quality education).

Gender-responsive budgeting is gaining momentum as a way to address gender inequalities. As part of the EU GAP II, gender analysis is systematically promoted through budget support operations and support to PFM reform programmes. In 2018, dedicated internal analyses and studies were conducted along with webinars and targeted training; there were also public debates during the 2018 European Development Days (EDDs). Additional guidance and training are being developed to further encourage actions that reduce the gender gap and promote social justice.

In the enlargement and the eastern Neighbourhood regions, budget support has a strong emphasis on PARs, which is starting to transform the national legislative and regulatory frameworks, and provide guidance and better quality assurance processes for more streamlined strategic planning, coordination, monitoring and human resources management across administrations. This strengthens the conditions for budget support operations in general and effectively embeds the sector reform performance contracts within the overall process for modernising public services.

Globally, EU budget support contributes to improving PFM systems – especially in relation to SDG 16 – and, more specifically, in the relevant sector(s) and SDG(s) covered by each budget support programme.

The objectives of reforming PFM systems are to improve fiscal effectiveness and strategic allocation of resources in line with policy objectives as well as to promote accountability and greater efficiency in services delivery, particularly in the context of scarce resources. The EU has strengthened relevant and credible PFM reform programmes with structured and open dialogue. In this process, partner countries have been systematically accompanied by capacity-building measures. As an example, in the enlargement countries, the 'Strengthening economic governance and public financial

management' programme (EUR 8 million) has been instrumental in improving capacity building in budget planning, public investment, medium-term expenditure frameworks, fiscal risks and DRM.

PFM reforms have been informed by a number of assessments. By December 2018, 598 Public Expenditure and Financial Accountability (PEFA) assessments had been conducted in more than 150 countries, many of them (co-)financed by the EU. For the period 2017–2021, the EU contributed EUR 5 million to the work of the PEFA Secretariat.

In Cameroon, as the EU was re-engaging through budget support, the PEFA provided evidence of progress since 2008 and identified some 'quick wins' (i.e. visible developments with immediate benefits delivered shortly after projects began).

In Togo, the combination of a PEFA, public investment management and debt management performance assessment was instrumental in bringing together distinct reform processes and related support programmes from the EU, the IMF, the World Bank and the AfDB.

In Niger, the PEFA was used to draw up a new reform action plan and to revive dialogue with the authorities and among the various development partners, drawing lessons from the progress made and issues pending since the previous assessment.

Between 2016 and 2018, 16 PIM assessments were conducted worldwide, and the reports have been used as the basis for prioritised and sequenced reform action plans for public investment systems. In 2018, the Commission provided EUR 2 million to the multi-contributor Global Procurement Partnership, administered through the World Bank, to improve public procurement practices and governance. Notably, the partnership fund will support the Methodology for Assessing Procurement Systems, providing a common tool for analysing the strengths and weaknesses of public procurement systems. In the enlargement and Neighbourhood countries, pieces of legislation are being aligned with EU public procurement rules. All countries in the Western Balkans were assessed against the Principles of Public Administration in the area of public procurement.

The Commission is cooperating closely with the IMF through the Public Finance Management Partnership Programme (PFM-PP), contributing EUR 5 million in 2018. The programme focuses on providing support to fragile and low-income countries, with an emphasis on public investment management and fiscal risk management.

Within the Strategic Partnership Framework with the IMF, the Commission co-organised and supported the sixth Africa Fiscal Forum in Lusaka, Zambia, on 8–9 February 2018. Under the heading 'Fiscal policy in an evolving world', the forum brought together senior officials from African ministries of finance to engage on topical issues related to DRM and efficient spending to achieve the SDGs, with a focus on debt sustainability. The annual Africa Fiscal Forum has evolved into a much-appreciated peer-learning network for common fiscal challenges.

The European Commission's activities in the field of DRM and with respect to debt management are more specifically highlighted in SDG 17.

4.2.2. Using EU grants strategically via blending, including the European EIP

Demand for development funding has been increasing, not only to meet the SDGs but also to finance capital-intensive projects (such as those related to infrastructure), to spur sustainable growth and create decent jobs through support to SMEs and to assist partner countries in climate change

adaptation and mitigation measures. In many partner countries, investors – public or private – cannot access such funding through financial markets at the needed scale and cost, partly due to market failures (e.g. when one party has more or better information than the other, or costs are incurred by a party which did not choose to incur it), which often cause a gap between private and social returns. Public support can bridge this gap and make projects happen. Partner countries are also now looking at more complex projects – often multi-component and sometimes multi-sector – that contribute to poverty alleviation, are sustainable and frequently involve the use of frontier technology. Such projects require tailored innovative financing instruments.

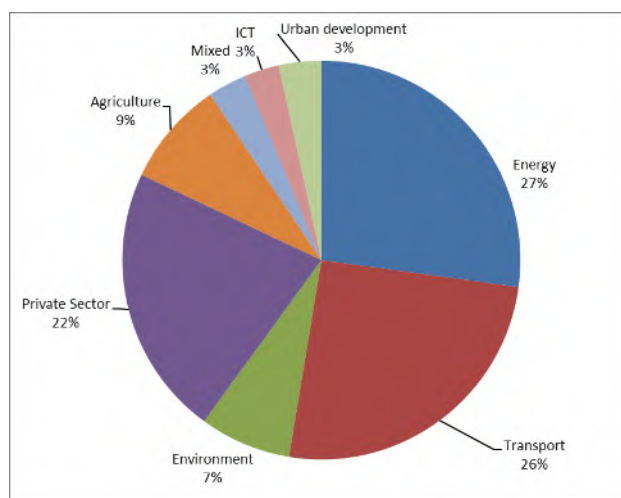
Blending uses limited amounts of public grants to mobilise financing from partner financial institutions, like international development banks and the private sector, for projects that will do most to help countries develop. The strategic use of a limited grant element can result in projects with low financial return but a high economic (i.e. societal) return. Blending projects aim to achieve sustainable growth and reduce poverty.

The EU Blending Framework comprises seven regional blending facilities (AIP⁽¹¹²⁾, NIP, LAIF, IFCA, AIF, CIF and IFP) and covers all regions of EU external cooperation. From the creation of the first blending facilities in 2007, almost EUR 6 billion of EU grants have leveraged around EUR 48.5 billion of loans by financial institutions and regional development banks for a total investment volume of more than EUR 82.5 billion. The amounts approved in 2018 and the sectoral breakdown are presented in Table 3 and Figure 5.

Table 3. EU contribution approved in 2018 (million EUR)

2018	
NIP	315.7
AIP	372.3
ITF	18.2
LAIF	36.7
Thematic	198.6
IFCA	12.5
AIF	43.4
CIF	2.1
IFP	19.7
Total	1 019.2

¹¹² AIP, replacing AITF.

Figure 5. Sector breakdown for 2018 approvals

In addition, new thematic initiatives – **ElectriFI** and the **Agricultural Finance Initiative (AgriFI)** – have been set up to catalyse private resources via risk sharing between the public and the private sectors. Almost EUR 500 million has already been allocated to these initiatives.

In collaboration with the private sector and development financiers, **ElectriFI** is a tool designed to support investments that provide reliable, affordable and sustainable energy services to people living in underserved rural areas and/or areas with an unreliable power supply. The emphasis will be on decentralised sustainable energy solutions, but grid-connected projects will not be excluded. Based on its international reputation, the initiative has received financial contributions from Power Africa and Sweden, and Italy also wants to participate. Several partner countries have made requests to channel some of their bilateral NIP/Regional Indicative Programme funding to the initiative, thereby creating **ElectriFI** ‘windows’. First movers have been Benin, Côte d’Ivoire, Nigeria and Zambia and the Pacific region for a total of EUR 93 million.

AgriFI aims to increase investment in smallholder agriculture and agribusiness MSMEs to achieve inclusive and sustainable agricultural growth. A central feature of **AgriFI** is that the provision of EU support will mobilise additional public and private investment, in particular through the provision of risk capital, guarantees or other risk-sharing mechanisms. EU support will contribute to de-risking an investment or to closing a financing gap.

Backed up by technical capacity to support the development and enhancement of business development and advisory services, **AgriFI** responds to a lack of suitable financing mechanisms for farmers and agri-entrepreneurs, particularly MSMEs. **AgriFI** also supports the design and implementation of value chain monitoring frameworks to assess the sustainability of particular value chains and inform investment decisions (using the VCA4D tool). Risk capital was provided for the **Agri-Business Capital ABC Fund** (with IFAD) in 2018, in addition to funding already agreed in late 2017 for the **AgriFI** facility (with FMO) and the **African Agriculture Trade and Investment Fund** (German development bank KfW).

These two initiatives aim to enhance private sector engagement with a focus on blending.

4.3. Improving ways of working

4.3.1. Simplification of procedures

The Commission's proposals for simplification made at the revision of the Budget Financial Regulation and the 11th EDF Financial Regulation (11th EDF FR) were adopted in the new Budget Financial Regulation of 18 July 2018 and the new 11th EDF FR of 26 November 2018.

The simplifications have been applied to contractual procedures for procurement, grants and indirect management with partner organisations.

The new, simpler contractual framework relies more on partners' existing rules and procedures and builds on extended pillar assessments to determine whether protection of EU financial interests is equivalent.

For procurements and grants, the Practical Guide for European Union External Actions (PRAG) has been revised and consolidates previous simplifications and recommendations for improvement.

Within the proposals for the next Multiannual Financial Framework, the Commission proposed that most external financing instruments, including the 11th EDF, should in future be replaced by a single instrument, the NDICI, designed to cover all external actions except those with a distinct legal basis. The result is laid down in the Commission's NDICI and Nuclear Safety proposal.

4.3.1.1. Indirect management

The new Financial Regulation (Regulation (EU) 2018/1046) provides a number of simplifications to facilitate better cooperation with partner organisations. From now on, the same set of contractual provisions will apply in all cases where actions are implemented by pillar-assessed organisations (in particular international organisations and Member State organisations) as there is no longer a need to distinguish between direct and indirect management.

A template contribution agreement has been drafted, replacing the current 'Pagoda' templates. Also, in line with the new Financial Regulation, the use of simplified cost options will be promoted. For this purpose, a standardised assessment procedure is being developed to ensure coherent and reliable application. Furthermore, results-based financing has been introduced as an alternative to focusing solely on costs incurred.

The existing framework agreements with partner organisations will be updated in line with the new Financial Regulation while looking for more opportunities for cross-reliance on audits.

4.3.1.2. Grants and procurement

The 2018 PRAG entered into force on 2 August 2018, the same date as the new Financial Regulation. While the 2018 PRAG is closely related to the new Financial Regulation, it introduces other important innovations and accommodates recommendations for improvement from the EU Ombudsman and several services within the Commission (Internal Audit Service, DEVCO, NEAR and Foreign Policy Instruments).

The 2018 PRAG incorporates guidance regarding the promotion of good tax governance and contains an update of the ethical clauses, introducing a clause on zero tolerance for sexual harassment and exploitation accompanied by a reporting obligation for contractors and grant beneficiaries.

4.4. Communication, transparency and learning

4.4.1. Communication

Communicating the results and achievements of EU development programmes and projects and raising awareness of the tangible difference they make to the lives of millions worldwide is crucial. Throughout 2018, Commission services extended communication and outreach efforts to strengthen EU accountability to citizens, increase participation at the leading stakeholder EDDs and develop social media channels through engaging campaigns.

The 12th edition of the EDDs took place on 5–6 June 2018 in Brussels and was devoted to gender equality and women's empowerment. Almost 9 000 participants attended, representing the largest attendance recorded and an increase of 12 % compared to the previous edition. Eight web-streamed Kapuscinski Development Lectures were organised, as well as important events and activities at the External Cooperation Information Point in Brussels, ensuring great audience exposure to development policies.

A major highlight in 2018 was the launch of the EU–UN Spotlight Initiative regional programme for Latin America during the UN General Assembly week in September. Thanks to an effective media strategy and cooperation with the UN, an online audience of around 675 million readers was reached.

A dedicated communication network was created in 2018 to ensure a stronger and more active outreach to EU Member States. The digital platform 'DIVA' became fully operational in April, and in late May an event promoting gender (SDG 5) was staged simultaneously. The resulting social media video campaign was displayed more than 1.5 million times.

Innovation in Commission services' online communication continued throughout 2018. More than 40 videos were produced, and social media channels include a particularly active Instagram account. Four 'Faces2Hearts' bloggers toured Commission service projects around the world from January to May, contributing to one of the most successful campaigns ever with 35 million people reached and 5 million people actively engaged. Commission services also increased live coverage of events and offered more live chats than ever before (10 in 2018 versus 3 in 2017).

In addition, Commission representation at the 39th Rimini Meeting for Friendship among Peoples ensured high-level participation in one of the biggest popular public festivals in Italy.

Communicating the objectives and results of the European Neighbourhood and enlargement policies continued to be a priority. The Commission worked closely with the EEAS Strategic Communication Task Forces and the EU delegations/offices in the regions to improve its strategic communication on these policies. Target audiences are the wider public, through traditional media and social media channels, as well as stakeholder communities, young people and media representatives through dedicated events, study visits and press trips. Communication activities were addressed at audiences both in the partner regions and in the EU. Information on the EU and EU assistance in individual partner countries was increasingly based on thematic or country-specific campaigns to reinforce the EU visibility and EU branding of its projects and outreach activities.

A number of major events were organised, such as: the EU–Western Balkans Media Days with over 300 media professionals participating; joint seminars with think tanks to reach out to stakeholder

audiences; and a TAIEX seminar on strategic communication, which provided a platform to exchange know-how between national administrations of the EU Member States and government communicators from the Western Balkans. Several press trips were organised to countries in the region and journalists from there were invited on press trips to Brussels. With regard to the Neighbourhood South and East, activities focused on the implementation of the two regional communication programmes through joint events, the Young European Ambassadors scheme, production of audiovisual material, social media campaigns, etc. This complements the activities to address disinformation and misperceptions of the EU with positive messages and success stories of people who benefited from EU assistance.

4.4.2. Transparency

The Commission is firmly committed to aid transparency in line with the new European Consensus on Development in which the EU and its Member States reaffirm their commitment to applying the key principles of development effectiveness. The Commission has continued to improve the accountability and openness of aid through publishing timely, comprehensive and forward-looking data in line with the International Aid Transparency Initiative (IATI) standard and the OECD DAC Creditor Reporting System (CRS) and Forward Spending Survey.

The Commission remains an active member of IATI. Data are published at least on a monthly basis; an inter-service working group meets regularly to discuss and coordinate publication, and this group has taken several measures to increase the quality and comprehensiveness of published data. These include an upgrade to the 2.02 version of the IATI standard, increased coherence between the OECD CRS and IATI reporting and publication of EUTF data, forward-looking data and results data. In the 2018 Aid Transparency Index, all Commission services assessed fell within the 'good' category for contributors. The Commission has also been active in raising awareness and promoting use of the published data.

The Commission continues to advocate the benefits of IATI with Member States. A new version of the transparency portal, EU Aid Explorer, has been developed to visualise EU aid data. The new version improves the user experience, achieves better coherence of data among EU institutions and Member States and, therefore, increases the use of and applications for EU aid data.

4.4.3. Learning

In April 2018, the DEVCO Academy – the Commission's first online learning platform publicly accessible for the entire development community – was officially launched. The Academy encompasses e-learning courses, videos, webinars and documents to enhance public and professional development education and to promote standardised development cooperation approaches and measures. The DEVCO Academy caters to a vast audience, including representatives of NGOs, international organisations, donors, stakeholders, development agencies, digitalisation experts, universities, Member States, and youth and civil society interested in online learning opportunities and development cooperation.

Since its official launch, DEVCO Academy has generated more than 400 000 site visits and counts more than 5 000 enrolled users from 160 countries on all continents. In 2018, DEVCO Academy hosted over 175 learning resources, of which more than 110 were interactive e-learning courses on

relevant topics, such as on gender equality, human rights, democracy, resilience and sustainable development.