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

**Annual Report on the Implementation of the European Union's Instruments for
Financing External Actions in 2016**

{SWD(2018) 64 final}

1. Global commitments

In 2016, the European Union started engaging in discussions about the Future of Europe, the implementation of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) agreed at the UN General Assembly in 2015, and it also laid out a Global Strategy for the EU's Foreign and Security Policy (Global Strategy).

During 2016, the EU and its Member States remained the world's largest provider of development funding, contributing more than half of official development assistance (ODA) globally. The European Commission alone disbursed over **EUR 10.3 billion in ODA on behalf of the EU** with the aim of reducing poverty in the world, ensuring sustainable economic, social and environmental development, and promoting democracy, the rule of law, good governance and the respect of human rights.

In response to the many human-made and natural disasters that took place in 2016, the EU's humanitarian aid budget in 2016 was the highest ever, at **EUR 2.3 billion** (including EDF reinforcements) providing **relief assistance** including food, shelter, protection, healthcare and clean water to **more than 120 million people in over 80 countries**.

Global Strategy for the EU's Foreign and Security Policy (Global Strategy)

The 2016 **Global Strategy** aims to create a "Shared Vision" and "Common Action" for a "stronger Europe".¹ The strategy sets out core EU interests and principles, and provides a road map for a more credible, responsible and responsive EU in the world, which will guide EU actions for many years to come. The objectives of EU external action and the vision of the 2030 Agenda are fully consistent, and the SDGs will be a cross-cutting dimension for the implementation of the EU's Global Strategy.

In line with this strategy, the EU in 2016 focused on its five priority policy areas: investing in the resilience of states and societies to the East and South of Europe and providing an integrated approach to conflicts and crises; strengthening security and defence; reinforcing the internal/external policy nexus, with special attention to migration; updating existing or preparing new regional and thematic strategies; and stepping up public diplomacy efforts.

A Stronger Global Actor

The EU works continuously for a peaceful world and has led and supported negotiations to reduce tensions around the world. In 2016 these included the start of the implementation of the historic international agreement on **Iran's nuclear programme** and the peace agreement between the Government and the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) movement in **Colombia**.

Throughout the year, the EU also continued to play a leading role in international efforts addressing **crises in Ukraine** and working with its international partners to provide support in **Syria, Iraq and Libya** against the activities of Da'esh.

The Instrument contributing to Stability and Peace (IcSP)² is one of the instruments through which the EU can fulfil its role as a "**Stronger Global Actor**" by increasing the efficiency and coherence of the Union's actions in the areas of crisis response, conflict prevention, peace-building and crisis preparedness, and in addressing global and trans-regional threats.

Crisis response actions allow an immediate reaction to unforeseen events; a key asset to enable the EU to quickly establish political projects that can help with sensitive diplomatic processes and conflict situations, and to create new avenues for dialogue and conflict resolution.

This Instrument also caters for the need to provide support for building and strengthening the capacity of civil society and other organisations involved in peace-building.

¹ http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf

² http://ec.europa.eu/dgs/fpi/documents/140311_icsp_reg_230_2014_en.pdf

The EU further increased third countries' resilience and preparedness to protect their strategic assets when threatened by a range of potential **hybrid attacks** from terrorism to organised crime and Chemical, Biological, Radioactive and Nuclear (CBRN) risk mitigation, as shown by the Joint Communication on Countering Hybrid Threats³.

New Consensus on Development

In September 2015, the international community responded to arising new trends and global challenges by adopting the 2030 Agenda and its 17 Sustainable Development Goals⁴.

In response to this, the European Commission presented in 2016 a **proposal for a new European Consensus on Development**⁵, which aligns EU development policy with the 2030 Agenda while taking due account of the Addis Ababa Action Agenda and the Paris Agreement on Climate Change. The new European Consensus on Development, signed in June 2017, after trilateral discussions with the European Parliament and the Council, provides a shared vision and framework for action for development cooperation for the European Union and its Member States.

It promotes a coherent approach to people, planet, prosperity, peace and partnership (the "five Ps" of the 2030 Agenda). Poverty eradication remains the primary objective, while integrating comprehensively the social, economic and environmental dimensions of sustainable development. The Consensus on Development reaffirms the EU's commitment to **Policy Coherence for Development** (PCD), which requires taking into account the objectives of development cooperation in policies which are likely to affect developing countries, as an important contribution for the achievement of the SDGs in partner countries.

Post-Cotonou

The current **Cotonou Partnership Agreement** between the EU and 79 African, Caribbean and Pacific (ACP) countries will expire in 2020. The agreement has been **the largest, most comprehensive and longest-lasting geographical partnership in the world**. It has helped to reduce poverty, increase stability and integrate the ACP countries into the global economy.

Following wide consultation, the 2016 Joint Communication "A renewed partnership with the countries of Africa, the Caribbean and the Pacific"⁶, set out the building blocks required to create a stronger, renewed political partnership with the ACP countries based **on a true partnership of equals** and finding common solutions to common concerns.

Gender

Since its foundation, the EU has been committed to gender equality and women's and girls' rights and empowerment. The **Gender Action Plan in External Relations 2016-2020**⁷ sets out an ambitious framework for action to support inclusion of gender perspectives in all EU programme designs, policy and political dialogues with partner countries, and in international negotiations, and to strengthen partnerships with all relevant stakeholders. It covers four main pillars: ensuring the physical and psychological integrity of girls and women, including through fighting all forms of violence and harmful practices; economic and social empowerment; strengthening women's voice and participation; and shifting institutional culture.

³ JOIN(2016) 18 final, 6.4.2016

⁴ *Transforming our world: the 2030 Agenda for Sustainable Development*, Resolution adopted by the UN General Assembly on 25 September 2015 (UNGA A/RES/70/1)

⁵ Final text: OJ 2017/C 210/01, 30 June 2017

⁶ JOIN(2016) 52 final, 22.11.2016

⁷ SWD(2015) 182 final, 21.9.2015; Council conclusions 13183/15, 26.10.2015

In 2016 the groundwork for delivery was set up such as national analysis studies.

Mainstreaming gender issues in Zambia

Development cooperation with Zambia, specifically through the European Development Fund (EDF) portfolio, demonstrates good practice in strengthening **gender mainstreaming**, with consistent attention to gender equality across the different programmes and activities. For example, attention to women traders in the agriculture sector, a focus on gender issues in governance, and the integration of gender issues in the policy dialogue.

Sustainable Energy and Climate Change

The EU flagship initiative the **Global Climate Change Alliance (GCCA+)** updated its strategy to reflect the Paris Agreement on Climate Change and the 2030 Agenda and organised a global learning event in Brussels in September attracting over 250 participants from 45 countries. The GCCA+ approved seven new country actions in 2016, continuing its support to the most vulnerable countries (Small Island Developing States (SIDS) and least developed countries (LDCs)). In total, contributions from the EU and its member states to support developing countries in reducing their greenhouse gas emissions and coping with the impacts of climate change stood at EUR 20.2 billion in 2016 (out of which EUR 2.7 billion from the EU budget and the European Development Fund, and EUR 1.9 billion from the European Investment Bank).⁸

Under the **Partnership Instrument**⁹, the EU continued to adopt new climate actions with strategic partners such as China, Brazil, Mexico and South Korea. These actions underpin the leading global role of the EU in addressing climate change and supporting the transition towards low carbon economies.

Farmer field schools in Malawi

To tackle climate change in Malawi and promote a resilient agriculture, the GCCA+ developed the **Farmer Field Schools to enhance sustainable agriculture**. Using the 'learning by doing' approach farmers have learnt to enhance and diversify their productivity; reduced land degradation, and integrated social activities to ensure cohesion. The project benefits 43 000 vulnerable people in 7 200 households across four districts.

The European Commission is working to improve access to reliable and sustainable sources of energy as a "green" engine for growth. Through commitments made in 2016, the European Commission aims to improve **access to energy for 40 million people globally** (30 million in Africa), increase renewable energies by six and a half gigawatts (GW) globally and five GW in Africa, and save 15 million tonnes globally (11 tonnes in Africa) of carbon dioxide emissions annually by 2020.

Human Rights and Good Governance

In 2016 the EU undertook human rights dialogues and consultations with 43 partner countries and regional groupings and continued supporting human rights civil society organisations and human rights defenders.

A new multi-sector approach was introduced to fight corruption. This will further strengthen connexions across a wide array of sectors (justice, public administration reform, security sector reform, improvement of the business environment and customs reform) and actors exercising some

⁸ <http://www.consilium.europa.eu/en/press/press-releases/2017/10/17/climate-finance-eu/>

⁹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0234>

form of oversight and control function (civil society, media, whistle-blowers, Supreme Audit Institutions, and Parliaments).

Good governance in Benin

Based on recommendations by Transparency International, the Good Governance and Development Contract for Benin launched by the European Commission in 2016 brings under one roof support to Public Financial Management (PFM), justice and the private sector to help improve Benin's overall integrity mechanisms.

Supporting partner countries in their transformation of security systems is a key element for improving governance. Upholding fundamental freedoms and assessing in a participatory way the security needs of different groups, including the most vulnerable, are among the key objectives of the new EU-wide strategic framework to support **Security Sector Reform (SSR)**¹⁰.

Financing for development

In addition to sound policies, major investments will be needed to meet the SDGs, in particular in developing countries. ODA in the form of grants remains essential, but must be complemented with other tools and sources of finance such as domestic resource mobilisation or private investments. The implementation of the innovative action agenda agreed upon in 2015 at the Third International Conference on Financing for Development in Addis Ababa¹¹ that addresses all sources of finance, and covers cooperation on a range of issues including technology, science, innovation, trade and capacity building was taken forward in 2016.

The proposed **European External Investment Plan (EIP)**¹² is a clear illustration of the EU's strong commitment to deliver on this agenda. The EIP enacts the agenda's new philosophy on broad means of implementation to achieve the SDGs. The new European Fund for Sustainable Development will be the EU's main tool to attract private and public investments to poor and fragile countries. It represents a new integrated way of working with the EU's partner countries, Member States, international financial institutions, other donors and the private sector **to improve investment** in Africa and the EU Neighbourhood to promote decent job creation, sustainable development and tackle the root causes of irregular migration and forced displacement.

¹⁰ JOIN(2016) 31 final, 5.7.2016

¹¹ <https://www.un.org/esa/ffd/ffd3/>

¹² Commission Communication COM(2016) 581final; http://europa.eu/rapid/press-release_MEMO-16-3006_en.htm

2. Global impact

Migration and mobility

In 2016, the EU stepped up efforts to deliver on its commitments on migration and mobility in line with the **2015 European Agenda on Migration**¹³. The European Commission services responded to the immediate situations created by large-scale influx of refugees and migrants, while also addressing the root causes of migration. Tackling the longer-term challenges – and opportunities – of migration and forced displacement is an integral part of the EU's integrated development policy and cooperation.

To address the challenges brought about by rising numbers of migrants and refugees, risking their lives to reach Europe, the EU took a series of measures. Following the EU-Turkey Statement of 18 March 2016¹⁴ and the effective closure of the Western Balkans route, migrant crossings and lives lost were significantly reduced. Despite those efforts, 2016 saw the greatest loss of lives so far in terms of migrants and refugees *en route* to Europe, with deaths on the Central Mediterranean route from Libya rising rapidly. The EU increased its support and dialogue with all stakeholders active on migration issues in Libya, with a view to improving the management of migration flows.

The new **results-oriented Partnership Framework**¹⁵ was launched in June 2016, establishing a new EU approach on migration by reinforcing cooperation with its priority partner countries. Combining immediate and longer-term measures, the framework aims to save lives, combat smuggling and trafficking, and address the root causes of irregular migration and forced displacement.

In April 2016, the European Commission published its Communication "Lives in Dignity: from Aid-dependence to Self-reliance; Forced Displacement and Development"¹⁶, reinforcing the EU's development-oriented **approach on forced displacement**. This policy framework, which includes support to both displaced populations and host communities, represented an important EU contribution to the World Humanitarian Summit that took place in May 2016 and guides the EU's financial assistance on forced displacement.

In terms of **financial assistance**, and due to the rapidly evolving migration situation described above, the EU funding was quickly mobilised, including the EUR 3 billion contribution by the EU and its Member States coordinated through the EU Facility for Refugees in Turkey¹⁷, and the EU Regional Trust Fund in response to the Syrian crisis¹⁸. At the end of 2016, two EU Compacts with Jordan and Lebanon were also set-up, helping to provide education and employment for those displaced due to the Syrian crisis in their host communities.

Better Migration Management Programme

The Better Migration Management (BMM) Programme under the **Horn of Africa** window of the EU Trust Fund for Africa aims at better management of migration at the regional level. This is achieved through capacity building programmes and the provision of equipment to government institutions engaged in the Khartoum Process (a continuous dialogue for enhanced cooperation on migration and mobility). Support is provided to help generate and use statistical data on migration, investigate, prosecute and bring to trial cases of trafficking and smuggling, or to improve border management. Assistance is also provided to develop policies on trafficking and smuggling, ensure the protection of

¹³ COM(2015) 240 final, 13.5.2015

¹⁴ <http://www.consilium.europa.eu/en/press/press-releases/2016/03/18-eu-turkey-statement/>

¹⁵ COM(2016) 385 final, 7.6.2016

¹⁶ COM(2016) 234 final, 26.4.2016

¹⁷ Commission Decision C(2015)9500

¹⁸ Commission Decision C(2014)9614

victims, and raise awareness of the perils of irregular migration, as well as options for legal migration and mobility.

Established in November 2015, the **EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa**¹⁹ provides a new implementing tool to tackle the root causes of irregular migration. It allows the EU to be more coordinated, flexible and responsive to the real needs on the ground than ever before. In its first full year of operation, the Trust Fund for Africa enabled the approval of over 100 projects for over EUR 1.5 billion.

Security and Development nexus

The EU's Instrument contributing to Stability and Peace (IcSP) addresses security related crisis response needs as a prerequisite for development cooperation. Actions financed under the IcSP promote security through support to mediation, peacebuilding, immediate delivery of peace dividends, combatting arms-trafficking, support to the security sector, and other related actions.

In July 2016, an amendment to the IcSP was proposed to allow the EU to extend its assistance under IcSP to include the financing of **capacity building for security and development (CBSD)** with an increased focus on the security-development nexus in the design of its programmes.²⁰ The amendment would allow the EU to provide training and mentoring, non-lethal equipment and infrastructure improvements, and support, under exceptional circumstances, to the military actors of partner countries in the context of a wider security sector reform process or capacity building in support of development and security for development. This is in line with the overarching objective of sustainable development and where there is a consensus between the European Union and the partner country concerned that this approach is essential for preserving or re-establishing the conditions necessary for sustainable development, including in crises and fragile and destabilised contexts.

Humanitarian aid and Development nexus

The EU attaches great importance to the link between humanitarian aid, required as an immediate response to crisis situations, and more medium and long-term development action. The humanitarian aid-development nexus is complex and requires increased coordination.

The common humanitarian aid-development agenda has long been referred to as **Linking Relief, Rehabilitation and Development (LRRD)** and represents a major aim of international assistance. The need to further invest in this approach was reaffirmed in the Council Conclusions of 12 May 2016 on the World Humanitarian Summit²¹.

For example, to address the challenge of the post Da'esh stabilisation in Iraq there needs to be a swift coordinated response. For this reason, the European Commission has coordinated humanitarian and development actions to take long term development into consideration early in the process and the European Commission services have jointly prepared a **Comprehensive Plan of Action** integrating all activities and plans in a LRRD concept, with the intention of further close programming with Member States and other like-minded donors.

¹⁹ Commission Decision C(2015)7293

²⁰ COM(2016)447 final/2 5.7.2016

²¹ <http://www.consilium.europa.eu/en/meetings/fac/2016/05/12/>

3. Accountability and results

The European Commission regularly monitors and reports on the results of EU-funded actions across the world by means of the **EU International Cooperation and Development Results Framework**.

The following are a selection of global results attributable to EU-funded projects and programmes that ended between mid-2015 and mid-2016.

EU action – Key Results in 2016

Good Governance

923 000 people benefited directly from legal aid programmes, central to ensuring equality before the law by providing the right to counsel and the right to a fair trial.

Conflict Prevention, Peace Building and Security

314 000 people benefited directly from programmes that specifically aimed to support civilian post-conflict peace building and/or conflict prevention.

Sustainable Agriculture, Food Security and Nutrition

1 118 000 people received rural advisory services to add value to their produce and improve the links between farmers and markets.

Energy²²

1 103 000 people were provided with access to sustainable energy services.

Education

84 000 teachers were trained, providing a foundation for future learning and skills.

Health

165 000 000 insecticide-treated bed nets were distributed, to prevent the spread of malaria.²³

Natural Resources, Environment and Climate Change

12 694 000 hectares of protected areas were managed, to help ensure biological diversity and to preserve natural heritage.

Transport

4 100 km of roads were constructed, rehabilitated or maintained to provide better access to transportation, particularly for the most disadvantaged groups.

Employment and Social Protection

198 000 people benefited from Vocational and Educational Training (VET)/skills development and other active labour market programmes intended to improve employability, productivity and competitiveness in partner countries.

Trade and Private Sector Development

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

²² Does not include results from blending investments

²³ The EU ongoing support to the Global Fund to Fight AIDS, Tuberculosis and Malaria contributed to these results.

4. Global reach

In Africa

In April 2016, the African Union Commission and European Commission met in Addis Ababa to discuss priority areas of the Joint Africa-EU Strategy (JAES)²⁴ including migration, peace, security and sustainable growth.

Strengthening this strategic Africa-EU Partnership was a key political and cooperation priority in 2016 and the EU continued its efforts to boost sustainable and inclusive growth across Africa. The Joint Communication "**A renewed partnership with the countries of Africa, Caribbean and Pacific**"²⁵ outlined a vision that aims to transform the partnership into a stronger alliance that can effectively contribute to building peaceful, stable, prosperous and resilient states and societies across the continent.

EU cooperation with Africa in the area of **peace and security** significantly increased in 2016 with substantial support provided under the African Peace Facility (APF) to reinforce the African Peace and Security Architecture and to finance African-led Peace Support Operations, such as the Multinational Joint Task Force against Boko Haram (MNJTF).

MIKES combat poaching



The Minimising the Illegal Killing of Elephants and other Endangered Species (MIKES) project aims to generate reliable and impartial data on the status and threats to key endangered species in **Africa, the Caribbean and the Pacific**, help improve law enforcement to combat wildlife poaching and trafficking, and establish an emergency response system for sudden increases in illegal killing and trade.

Photo credit: APN Michael Lorentz

EU Trust Fund for Africa in Action: The Sahel and Lake Chad

By the end of 2016, 65 projects amounting to EUR 918.5 million **had been** approved under the **Sahel and Lake Chad window of the EU Trust Fund for Africa** covering important countries of origin and transit for migration including **Mali, Niger, Nigeria and Senegal**. Projects include enhancing the resilience of the most vulnerable groups in the countries of origin, fostering youth employment, private sector development and entrepreneurship, supporting the work of civil society in combating radicalisation, as well as food and nutrition security, health and education services, and social protection.

In the Enlargement region

The European Commission continued to implement its medium-term **enlargement strategy**, as set out in the Communication on EU Enlargement policy adopted in November 2016²⁶. Strong focus remains on the principle of "fundamentals first" in the accession process within which the rule of law, fundamental rights, strengthening democratic institutions, including public administration reform, as well as economic development and competitiveness are core issues.

²⁴ https://ec.europa.eu/europeaid/regions/africa/continental-cooperation/joint-africa-eu-strategy_en

²⁵ JOIN(2016) 52 final, 22.11.2016

²⁶ COM(2016) 715, 9.11.2016

In the European Neighbourhood

2016 saw the roll-out of the **revised European Neighbourhood Policy (ENP)**²⁷. The ENP puts stabilisation in the EU's neighbouring countries as an important EU political priority. Over the past year, the EU has intensified its relations with ENP countries by launching negotiations on Partnership Priorities both in the East and in the South. Relations with Ukraine, Georgia and Moldova were taken forward through the continued implementation of the respective Association Agreements. In 2016, the European Union continued its policy dialogue with the Union for the Mediterranean to promote regional cooperation in the South.

The **EU Regional Trust Fund in Response to the Syrian Crisis** was established in December 2014 to enable a coherent and integrated EU aid response to the crisis. The fund's initial geographical focus was on Syria's neighbouring countries: Jordan, Lebanon and Turkey, but was expanded to Iraq in 2015, and to the Western Balkans as other non-EU countries affected by the refugee crisis.

By the end of 2016, the EU Regional Trust Fund in Response to the Syrian Crisis had mobilised EUR 932 million in agreed contributions, of which EUR 815 million was from the EU Budget, with contributions from Member States amounting to EUR 92 million and EUR 24 million from Turkey.

The EU Regional Trust Fund in Response to the Syrian Crisis in Action: Health, livelihoods and capacity building

A EUR 53 million flagship programme in five countries with the Red Cross/ Red Crescent (RCRC) is benefitting at least 700 000 refugees in Turkey, Lebanon, Northern Iraq, Jordan and Egypt, with targeted projects on livelihoods, health and capacity-building.

In Asia, Central Asia and the Pacific

In 2016, the Global Strategy gave a further boost to the EU's engagement with Asia. The Global Strategy recognises Europe's historical ties with Asia and the direct connection between European prosperity and Asian security. Deepening EU-Asia security cooperation, including on counter-terrorism, and improving EU-Asia connectivity are priority areas.

The EU continued its efforts to increase engagement with major non-EU providers of assistance against the backdrop of the UN 2030 Agenda and during 2016 strategic partnerships were strengthened through successful summits with India, China and Japan.

The EU sustained support to state-building and reconciliation in Asia, such as in Afghanistan, Myanmar and Nepal. The EU hosted the very successful Brussels Conference on Afghanistan in October 2016, with pledges of more than EUR 13 billion made.

Combatting the effects of El Niño

During 2016, almost EUR 550 million was provided to people suffering the devastating consequences of the extreme **El Niño** weather event in that year. As well as addressing the immediate threat of hunger and drought, the funding also took measures to strengthen long-term resilience and increase food security.

In Latin America and the Caribbean

²⁷ http://europa.eu/rapid/press-release_IP-17-1334_en.htm

In 2016 a **peace agreement between the Colombian Government and the FARC** put an end to the longest-ever internal conflict in the world's history. During 50 years of violence over 200 000 people have died and over five million more have been forced to flee their homes.

The EU played a key role in brokering the agreement and in December a new European **Trust Fund for Colombia** was initiated, involving a record 19 Member States²⁸. Building on previous successful Trust Fund models, this initiative allows for the pooling of resources, expertise and actions, and enables more targeted, coordinated and responsive actions to support the peace process and give new hope to the people of Colombia.

Alternative Development in Peru

In Peru, the Alternative Development Programme in Satipo (DAS) is a bilateral programme financed by the EU and the Peruvian Government in the Peruvian Amazon to help reduce poverty, promote social integration and prevent the illegal production of coca leaves. The programme supports local producers to cultivate alternative products, such as coffee and cocoa, and has already facilitated their access to national and international markets, improving income levels. This is complemented by a programme to allocate land titles, benefitting future generations of agricultural entrepreneurs.

²⁸ Croatia, Czech Republic, Cyprus, France, Germany, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, Slovakia, and Slovenia