

# **Gearing up to Deliver More, Better and Faster Aid: the New European Aid Effectiveness Package**

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# Overview

- Part 1: EU aid policy developments
- Part 2: EC aid delivery
- Part 3: Donor co-ordination

# Part 1

## EU aid policy developments



# EU aid policy developments

- **No EU constitution** in foreseeable future ?  
Limited impact on development work.
- **New Development Policy Statement (DPS):**
  - replaces statement of 2000
  - based on:  
increasing official development aid (ODA),  
aid effectiveness, predictability and  
policy coherence
- **New Strategy for Africa**
- New strategies for Caribbean and Pacific to follow

# EU aid policy developments

- **Four new instruments** to replace all existing programmes (TACIS, MEDA, ALA ...):
  - European **Neighbourhood** Instrument: Eastern Europe, Caucasus, South Mediterranean, Middle-East
  - **Development** Co-operation Instrument: Asia, Central Asia, East-Jordan and Latin America
  - Instrument for **Stability**
  - Instrument for **Nuclear Safety**
- **10th European Development Fund (EDF)**: Africa, Caribbean and Pacific

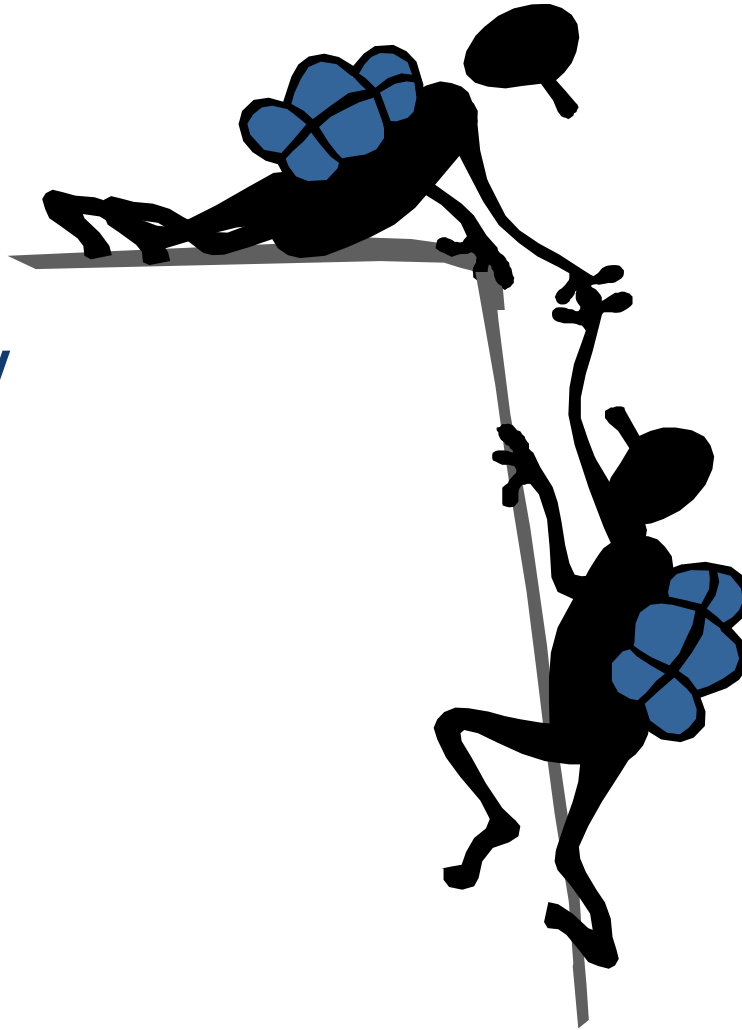
# EU aid policy developments

**Thematic programmes** implemented through Neighbourhood and Development instruments:

- Democracy and **human rights**
- Human and **social** development
- **Environment** and sustainable management of natural resources including energy
- **Non-state actors** and local authorities in development
- **Food security**
- **Migration** and asylum

# Part 2

EC aid delivery



# EC aid delivery

- **2005 record year on key performance indicators**

commitments, contracting, payments, speed

- **Better aid delivery**

Internal reforms completed:

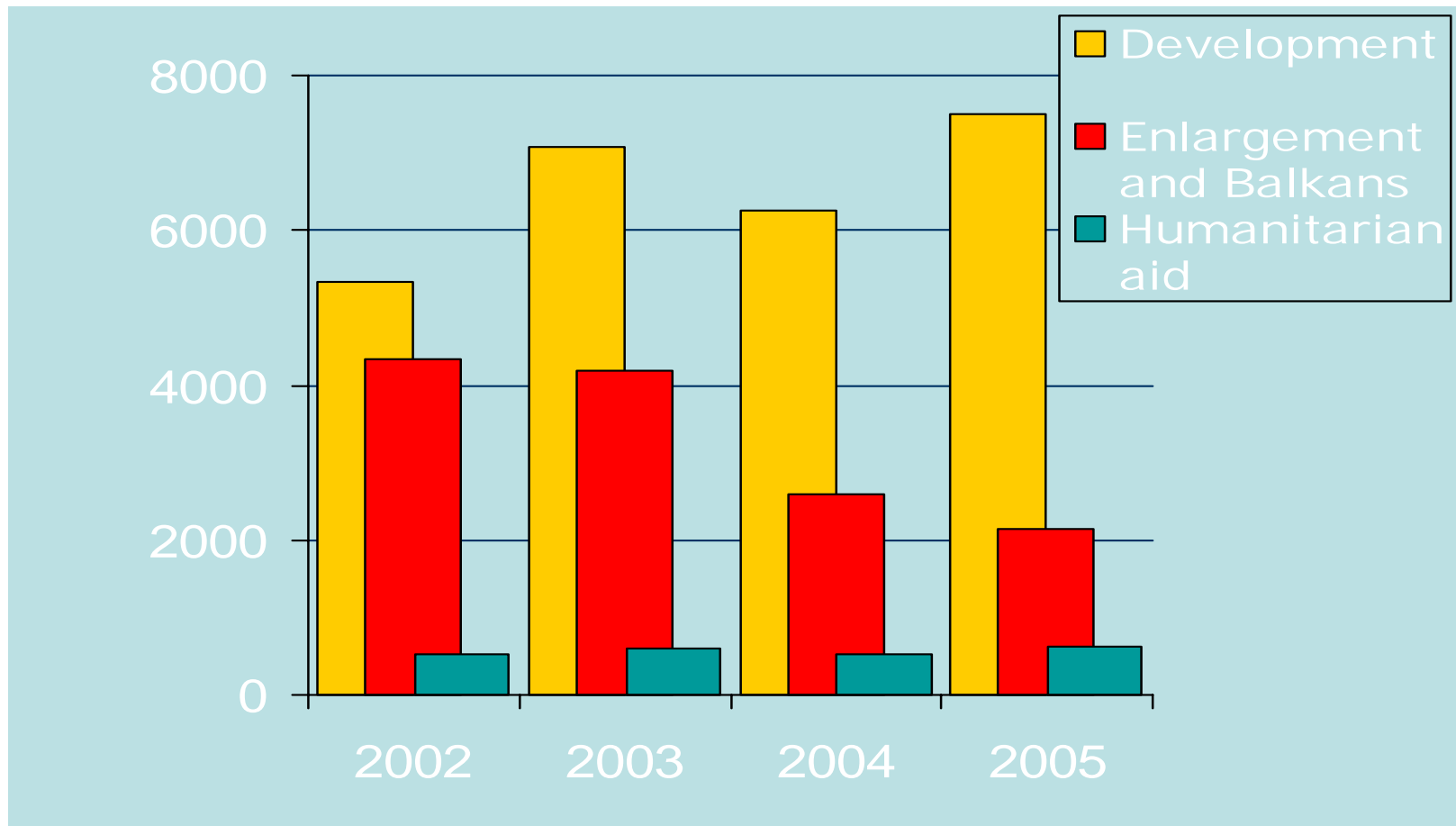
- delegations responsible for aid management,
- shift from input focus to output and impact,
- push for new aid modalities like budget support



# EC aid delivery

## External assistance funds

Commission external assistance funds/year



Commitments, amounts in million euros

# EC aid delivery

## 2005 earmarked amounts: € 7.5 billion

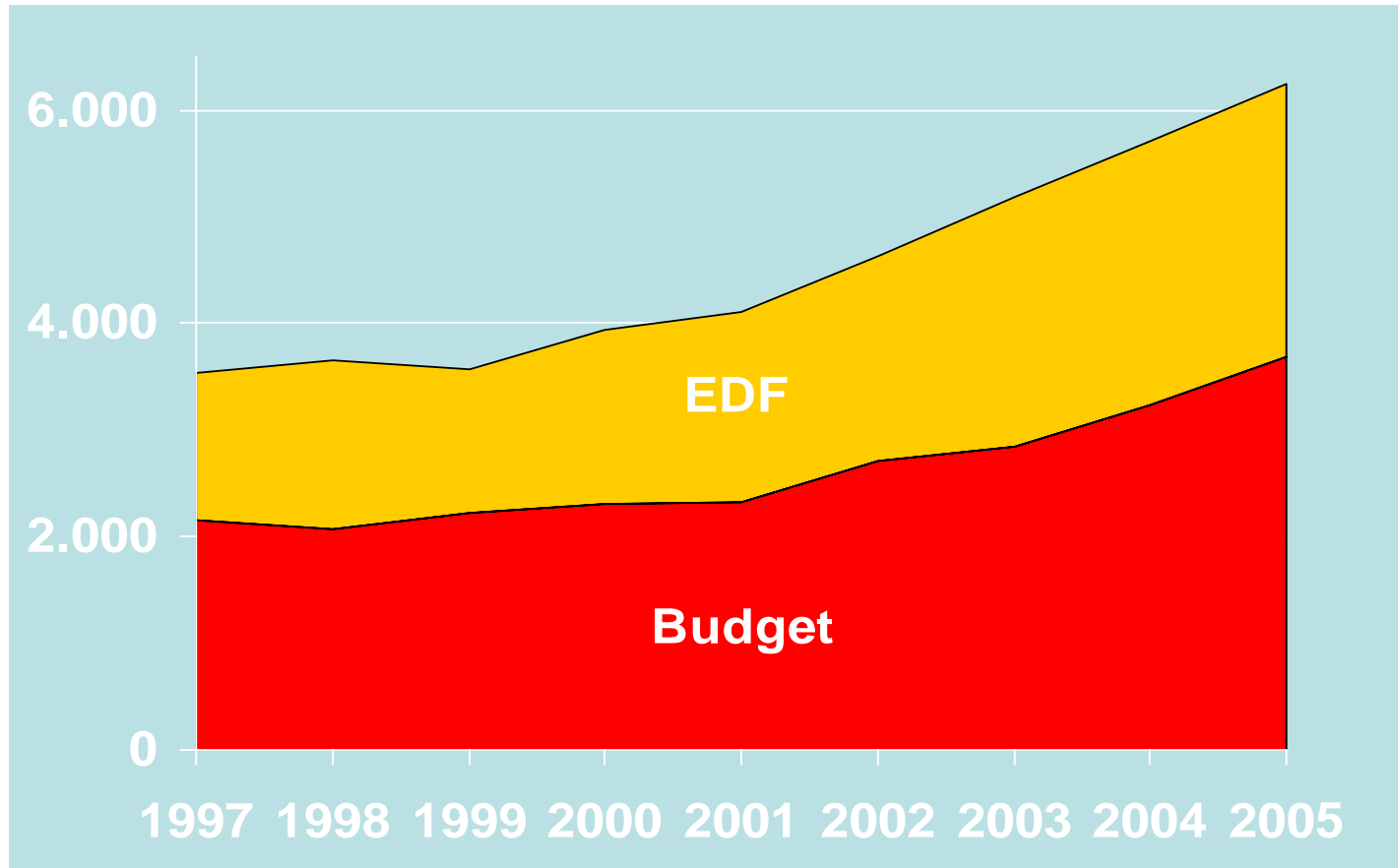
• Africa, Caribbean, Pacific	3 511 m	+ 33%
• Middle East/Mediterranean	1 075 m	+ 7%
• Asia	834 m	+ 37%
• Tacis	515 m	+ 2%
• Latin America	329 m	+ 5%
• South Africa*	155 m	+ 15%
• Thematic Programmes & others	1 090 m	+ 5%

Increase of commitments with 54% since 2001

\*Including € 18m accounting correction

# EC aid delivery

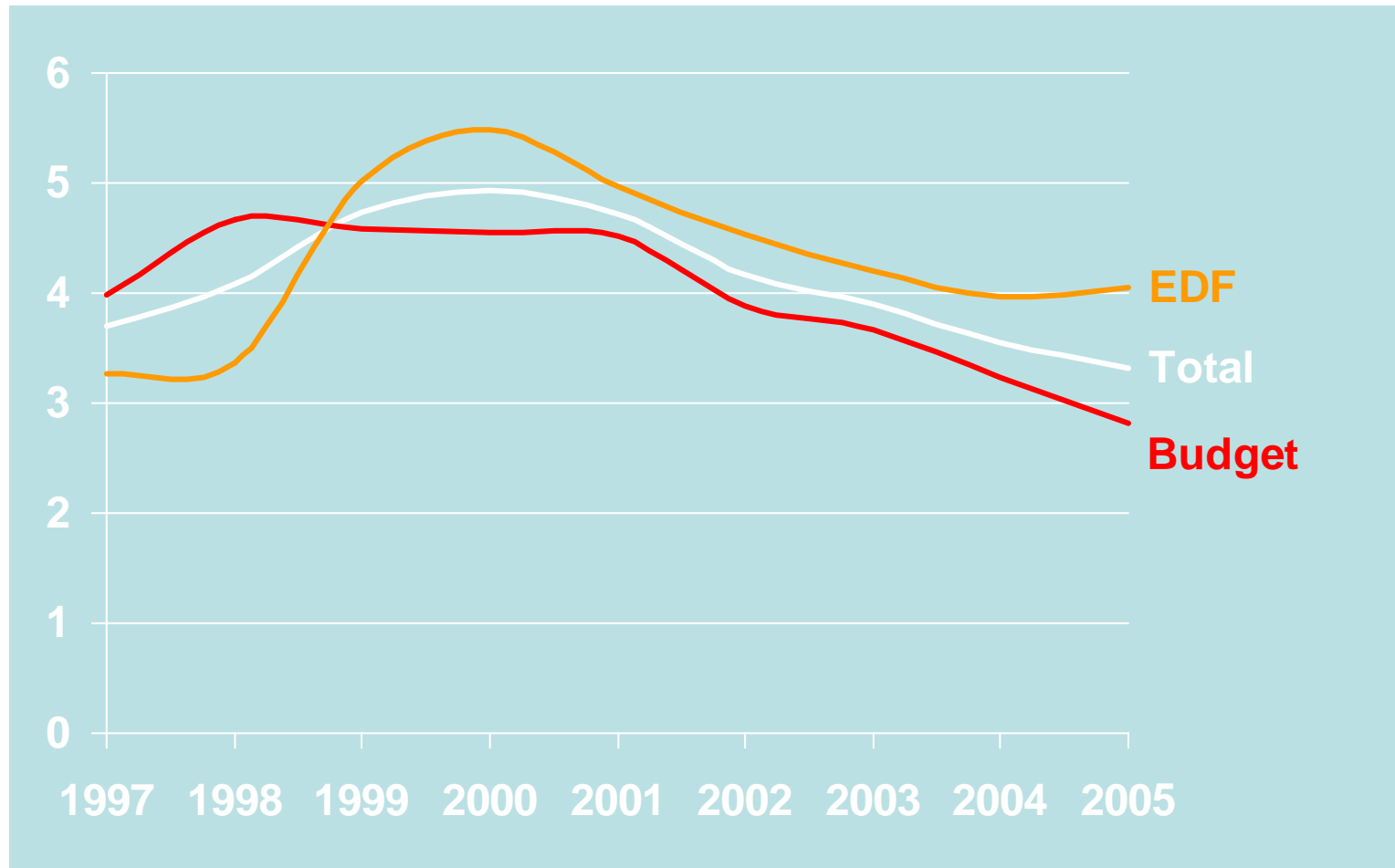
Payments: € 6.2 billion, up 9.5% from 2004



Increase of payments with 52% since 2001

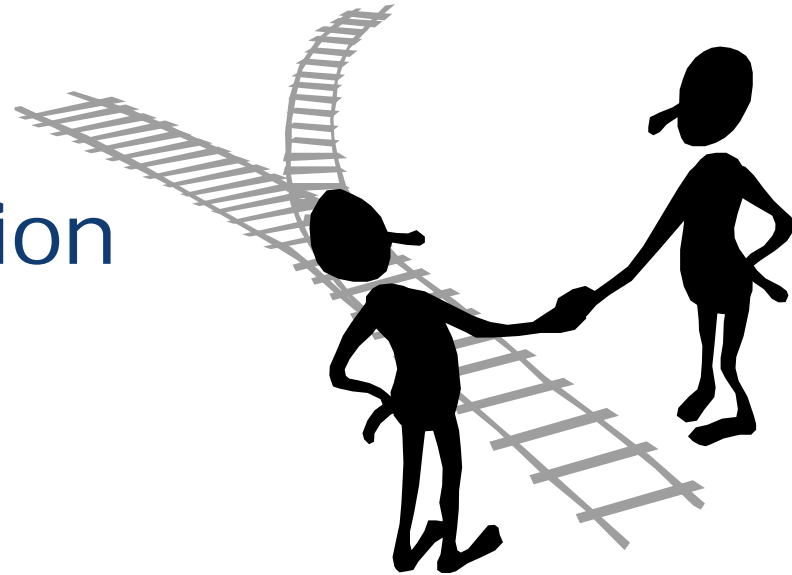
# EC aid delivery

Average implementation years  
3.32, down from 3.55 in 2004



# Part 3

## Donor co-ordination

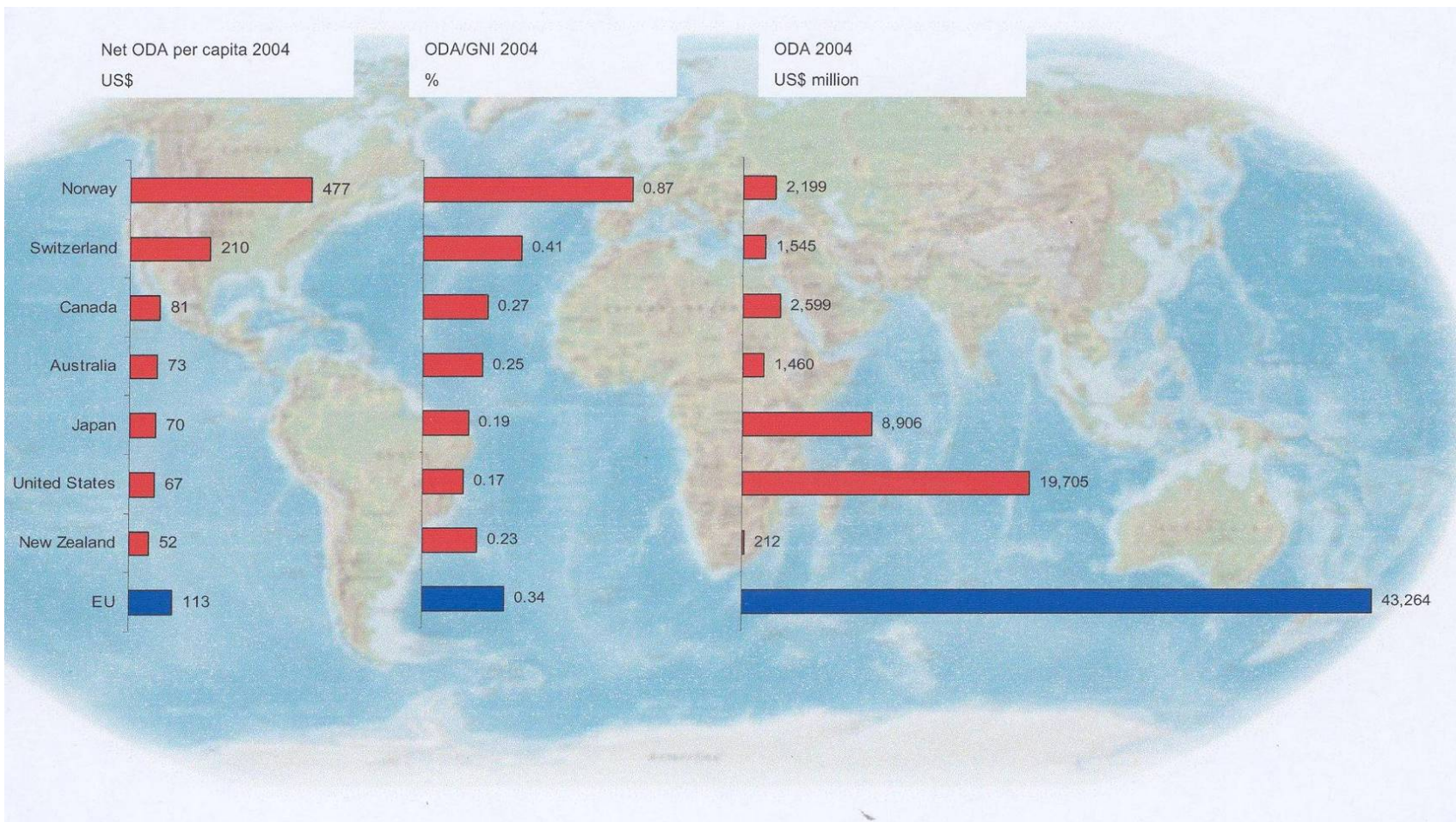


# Donor co-ordination

The **EU is not one donor**,  
but 25 Member States and the Commission

- The **EU** provides **52% of all development aid** in the world.
- The Commission on its own, is the **fifth largest** donor after the USA, Japan, UK and France.
- The Commission is the **second largest donor of humanitarian aid**.

# Donor landscape 2004



EU Donor Atlas, European Commission and OECD/DAC, 2006

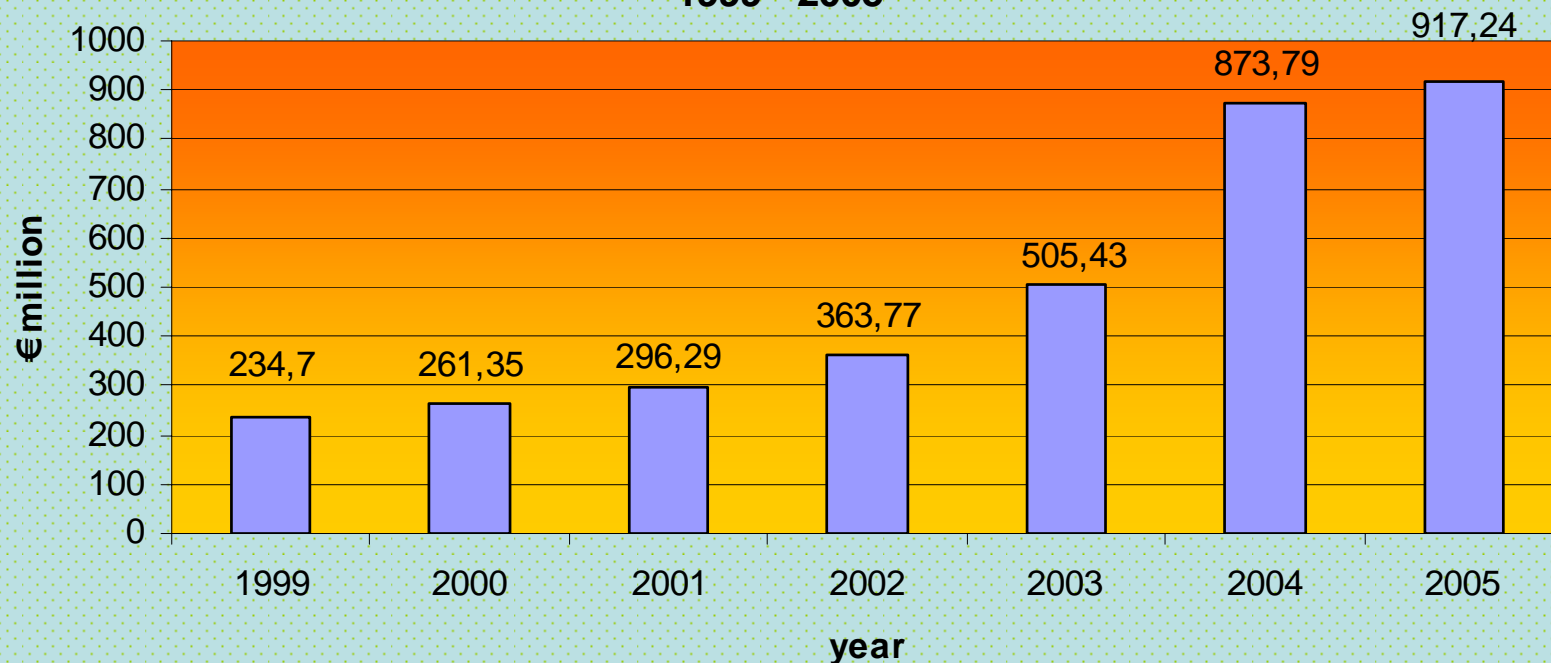
# Donor co-ordination

- UN Millennium Development Goals:
  - EU15 to reach 0.7% of Gross National Income (GNI) by 2015.
  - EU10 to reach 0.33%.
- EU: planned increase should release by **2010** around **€ 30 billion** in extra funding per year.
- **New instruments discussions: € 3.4 billion** in extra funding per year.
- So: EU Member States responsible for spending **90%** of the planned increase.



# Aid via United Nations' Organisations

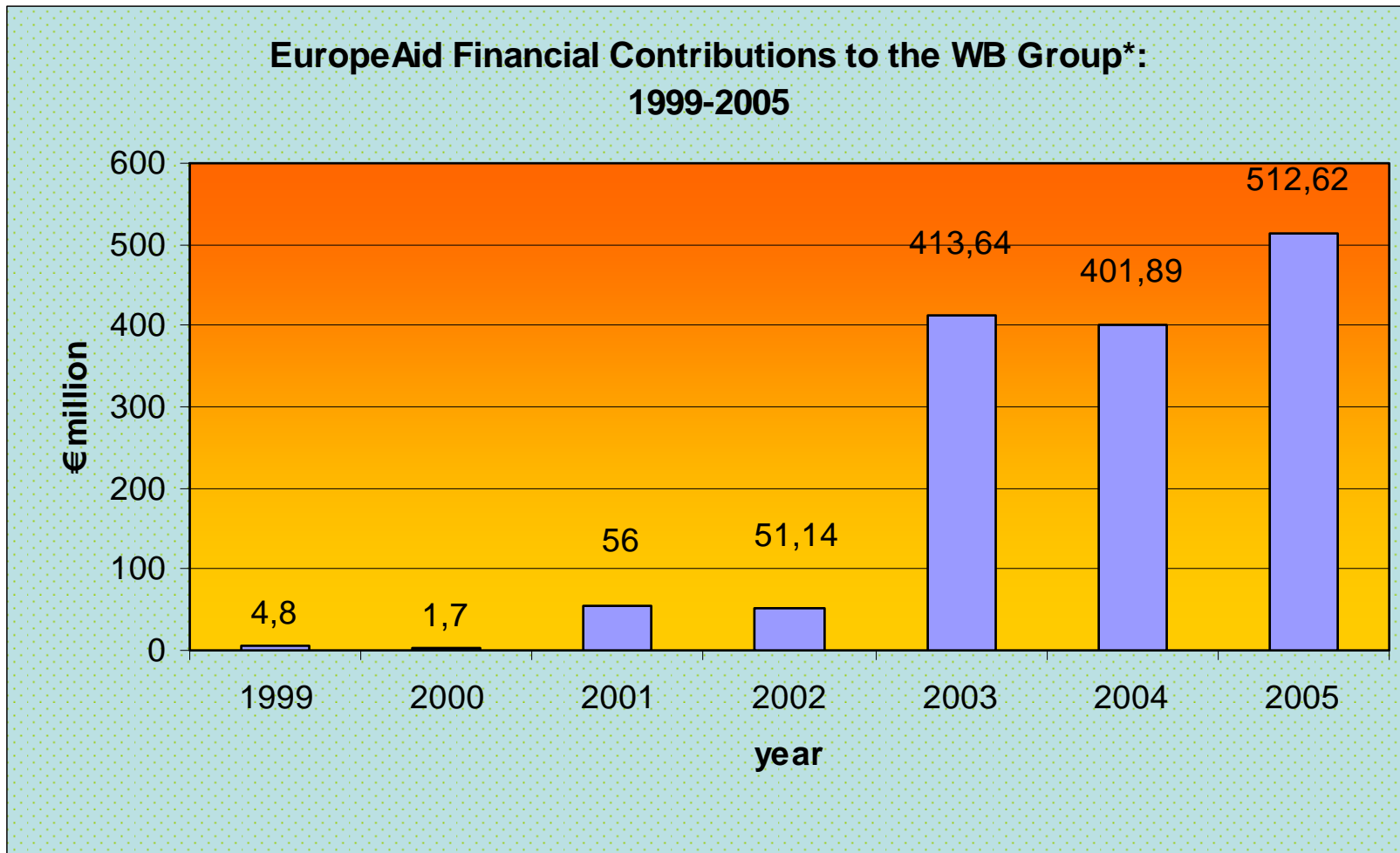
**EuropeAid Financial Contributions to the UN\*:  
1999 - 2005**



\*including APIF, CICIP, ECA, ECLAC, FAO, ICAO, ICTY, ICTR, ILO, IMO, ITC, ITU, LOFTA, OCHA, OHCHR, UN Secretariat, UNAIDS, UNCCD, UNCHS, UNCTAD, UNDCP, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UNIDIR, UNIDO, UNIFEM, UNITAR, UNMAS, UNMIK, UNOCHA, UNODC, UNOG, UNOPS, UNRWA, UN Court of Sierra Leone, UNTAET, WFP and WHO

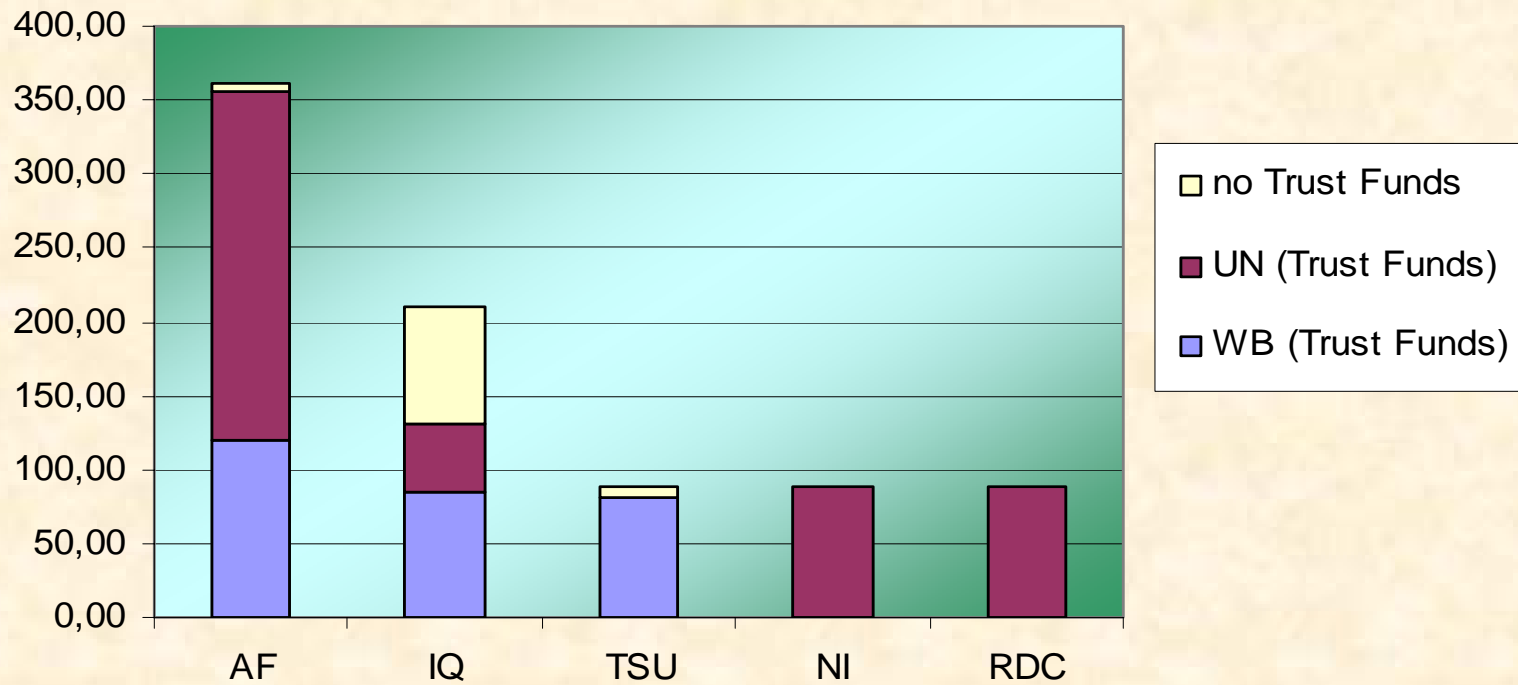
(Source: AIDCO F4 15.06.2005)

# Aid via World Bank



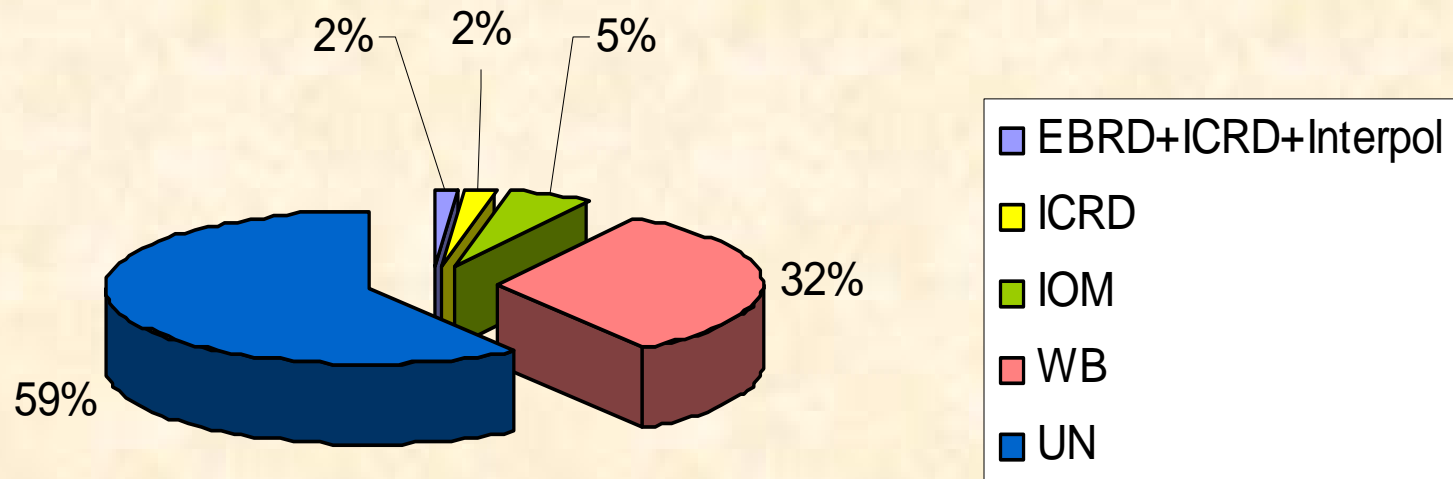
# Trust Funds

**Breakdown "Trust Funds" / "no Trust Funds" relating to main political cases (Afghanistan, Iraq, Tsunami, Nigeria (census), RDC (elections)) 2004-2005**



# Organisations benefitting from EC funds

TOP 7 organisations benefitting from 100% EC funding



# Donor co-ordination

Three approaches to prepare Member States and Commission for the future:

## 1. Opening up of procedures

- **Facilitating joint work:**

Now: pool-funding for sector support.

Later (2007): Commission proposal allowing Member States to manage Community funds, and vice versa.

- **More public-private work:** more blending of funding (grants with loans), co-funding with private sector. Example: Water Facility.

# Donor co-ordination

## 2. Sector and budget support

- **Setting targets:**

Commission pushing for 40 – 45% of 10th EDF for sector/budget support.

- **Developing know how:** examples:

- Commission's role in Public Finance Management standards development
- Commission leading in standards for assessment of public institutions
- strong cooperation with IFIs

## 3. Mapping

- Comprehensive mapping of where we are: start with infrastructure: from roads to IT.
- Infrastructure atlas of Africa.

**For more information**

[http://ec.europa.eu/comm/  
europeaid/index\\_en.htm](http://ec.europa.eu/comm/europeaid/index_en.htm)