

Development policy: implementation of the external assistance. Annual report 2001

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PURPOSE : to present the annual report 2001 on the EC development policy and the implementation of the external assistance. **CONTENT** : 2001 was a year of fundamental reform for the management of EC external assistance with the aim of improving the speed, quality, impact and visibility of projects and programmes throughout the world. On 1 January 2001, the EuropeAid Co-operation Office was created bringing together in a single organisation responsibility for managing the whole life-cycle of projects from identification to evaluation, while responsibility for programming was consolidated within DG Development and DG Relex. Vital to the success of these activities is the reform of the management of external assistance. This report itself is a key output of the reform - bringing greater transparency and accountability to EC policy and actions in this area. By providing a consolidated account of all geographical and horizontal programmes, this report replaces a number of programme specific reports that have been published in the past. Progress made in priority areas for reform - improving programming, reunifying the project cycle under one roof and increasing responsibility for delegations on the ground - is detailed in Chapter 1. This first section also underlines the importance of coherence, co-ordination and complementarity across EC policies designed to promote development, poverty reduction and integration into the world economy. The challenge of coherence is to find the right mix of policies for each region and country using development assistance, humanitarian assistance, the Common Foreign and Security Policy, trade-related technical assistance, Human Rights, environment and so on. Improved programming tools are designed to ensure a coherent overall framework. Co-ordination with other donors and ensuring complementarity of policies and activities are also essential to effective external assistance. The report describes the steps the EC has taken in this area with Member States, with the UN, with the Bretton Woods institutions and with other donors. The Millennium Development Goals, agreed by the international community in September 2000, provide a common framework for focusing and measuring development progress. Chapter 2 of this report outlines global achievements towards these goals, and places EC external assistance activities in the context of this framework. It focuses on EC priority areas such as health and education and on activities designed to ensure that common themes like Human Rights and the environment are duly incorporated into projects and programmes across the board. With respect to development policy, the EC made significant progress in strengthening the poverty focus of its programmes, taking concrete measures to support the achievement of the Millennium Development Goals. This included the adoption of an ambitious action programme for EC development policy. Within this agenda, the Commission also adopted a far-reaching Plan of Action on fighting poverty-related diseases in the developing world. The 2001 Annual Report responds to requests from both the Council and the European Parliament that it should be comprehensive, based on solid data and results-oriented. This Report provides information on programmes implemented and assesses achievements on the ground : from promotion of Human Rights in the Balkans to water management in Asia; from health in Africa to training and education in Latin America; from rapid mobilisation in Afghanistan to institution building in Russia. The EU is the largest donor of external assistance in the world, and EC spending makes up roughly 10 % of world ODA. This report accounts for the EUR 9.7 billion committed and EUR 7.7 billion paid by the EC in 2001. The instruments designed to ensure that horizontal policy priorities such as food security and the fight against drugs, as well as those mentioned above, are translated into activities in these areas, are set out in chapter 3. Details are given on individual projects carried out in 2001, as well as budget allocations and prioritisation by region. EC regional programmes are covered in Chapter 4. Activities in the Balkans, Eastern Europe and Central Asia, the Mediterranean, African, Caribbean and Pacific countries, Asia and Latin America are presented under common thematic headings reflecting development priorities in EC spending. This means that comparison can be made easily between regions on for example rural development or transport. ECHO's activities as well as EIB loans can also be found in this Chapter. Chapter 5 discusses a results-oriented approach to development. Based upon Country

Strategy Papers and indicators, it explores criteria for monitoring country performance. A pilot exercise on a results-oriented monitoring system of development projects is also described. A full set of financial tables makes up Chapter 6. These include a breakdown of figures into the categories defined by the OECD's Development Assistance Committee. Finally, the annexes give a detailed account of activities related to the reform of the management of EC external assistance. It sets out progress in harmonising financial procedures, both internally and with other institutions. It also gives details activities in 2001 in clearing the backlog of payments, audit activities, the activities of EuropeAid's Innovation Unit, relations with other organisations and transparency and visibility. The Commission is committed to seeing through the reform, allowing it to take root and ensuring that it meets its objectives. This report marks out the steps made in 2001 towards this end.