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

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PURPOSE: to provide a report on EC development policy and implementation of external assistance in 2002. CONTENT: this Annual Report presents an overview of the European Community's activities undertaken in the field of external assistance. It accounts for the EUR 6.5 billion committed and the EUR 5.2 billion actually disbursed by the EC in 2002. The report is subdivided into 8 parts which can be summarised as follows: 1) presentation of the strategic goals and achievements: the Monterrey and Johannesburg summits settled the bases for a new global partnership for poverty eradication and sustainable development. If the Member States of the European Union comply with their pledges, an extra EUR 8.5 billion could be available by 2006. The first generation of Country Strategy Papers was completed in 2002 and has led to increased focus on actions to fight poverty. This chapter also shows the progress made in the field of EC cooperation with other donors. A new framework agreement has been signed with the World Bank and the revision of the EC-UN Framework Agreement for EC funding of UN projects has been completed. Extensive policy dialogues took place in 2002 with United Nation's agencies and programmes; 2) reform of the management of EC external assistance: this is starting to bear fruit: sharper programming, improved quality and delivery timing, greater transparency and accountability, devolution of responsibilities to delegations on the spot, better coordination with other donors, especially Member States, and implementation of a new single management information system for the DG Relex; 3) progress made towards achieving strategic goals, in particular the Millennium Development Goals (MDGs): this chapter highlights measures taken to enhance the effectiveness of the Community's assistance, including adapting its approach to different country and regional circumstances, effective targeting of resources, debt sustainability, increased use of sector wide approaches and budget support. It also outlines progress made in focusing the EC's assistance on a more limited number of areas and key policy developments in these priority areas during 2002. Social sectors like health and education, transport and food security have all seen significant progress during the year. The Commission has also worked with the Member States and other interested parties (OECD, World Bank) to develop a core set of 10 indicators drawn from the MDGs. Of these 10 indicators, six are directly related to the welfare of children, while three have a specific gender dimension. The Commission intends to measure progress against these indicators annually for all developing countries to which it provides assistance; 4) evaluation activities and Results-Oriented Monitoring (ROM): this chapter summarises the conclusions of the evaluations completed and points out certain emerging broad issues. Launched in 2001, the Results-Oriented Monitoring ensures that the Commission has comparable data across all its external assistance programmes. This chapter presents an analysis based on 2002 reports according to the various ROM criteria (Relevance, Efficiency, Effectiveness, Impact and Sustainability) and the priority development areas. The results and performance of EC funded projects and programmes have been judged as generally good. Financial sustainability is identified most often as a potential source of problems for projects as also the cumbersome Community procedures; 5) 'horizontal' and 'cross-cutting' issues and their mainstreaming through the general structure of EC cooperation: human rights, equality between men and women, environment and conflict prevention are the main topics of this chapter which also describes the implementation of thematic budget lines such as food security, tropical forests, fight against AIDS or cofinancing with NGOs. The European Initiative for Democracy and Human Rights committed over EUR 100 million in 2002, whereas the Rapid Reaction Mechanism committed EUR 23.5 million in order to stabilise the situation in Afghanistan and continue the reconstruction efforts in the Palestinian Territories . Close to EUR 200 million was committed for cofinancing NGO projects and almost EUR 50 million was committed for the environment and tropical forests; 6) detail of cooperation activities by region: this chapter details all the activities financed in Western Europe and Central Asia (EUR 430 million committed with EUR 383 million disbursed), in South-Eastern Europe (nearly

EUR 654 million committed and more than EUR 617 million disbursed in the Balkans in 2002), in the Mediterranean Basin, Near and Middle East (EUR 762 million committed for all the Mediterranean countries and EUR 684 million disbursed), in the African, Caribbean and Pacific Countries (ACP) and in the Overseas Countries and Territories (OCTs) (almost EUR 2.4 billion committed for the ACP+OCT in 2002 and EUR 2.54 billion disbursed), in Latin America (EUR 382 million committed and EUR 272 million disbursed) and in Asia (EUR 540 million committed and EUR 434 million disbursed). The assistance activities carried out by ECHO and the EIB are also highlighted; 7) water management: this is one of the most important challenges for development policy in the years to come. The EU Water Initiative, launched at Johannesburg , seeks to act as a catalyst for action aimed at halving by 2015 the number of people without access to drinking water; 8) the last chapter contains financial tables broken down by budget line, region, country and instrument.