2019 Discharge to the Commission and to the EDF

WRITTEN QUESTIONS TO COMMISSIONER URPILAINEN

Hearing on 1 December 2020

Questions concerning general issues in the field of international partnerships

1. The Court of Auditors have criticised the lack of responsiveness of the international organisations and insisted that they provide relevant information and evidence to enable clear audits. Which initiatives have been taken by the Commission to address this issue?

Commission's answer:

The Commission is in regular contact with the European Court of Auditors (ECA) and with international organisations, so as to identify potential problems and solve them at an early stage. This has led to more coordinated communication amongst the two sides and better responsiveness. The latest ECA report no longer mentions lack of cooperation by international organisations.

2. The Court calls on the EU to rethink its approach to allocating development aid. How does the Commission plan on doing this, and how would the Commission take better account of job creation in the Union programmes?

Commission's answer:

The principle of "policy first" will define the allocation of funds in the Multiannual Financial Framework (MFF) 2021-2027. Article 11(2) of the future Neighbourhood, Development and International Cooperation Instrument (NDICI) should define the exact criteria for the allocation methodology. Negotiations on NDICI are still ongoing. These criteria, referring to a number of elements, such as partners' needs, capacities, commitments and performance, are also mentioned as being important in the Court of Auditors' Special Report on EU development aid concerning the allocation of funds to Kenya under the 11th European Development Fund (EDF). The European Parliament, the Council and EU Member States will be involved in the process in accordance with their institutional role.

Sustainable growth and job creation, notably in Africa, are a top priority for the Commission. This is duly reflected in the draft NDICI, both under geographic and thematic programmes, and is amongst the priorities for post-2020 programming, including by promoting investments and improving the investment climate under the External Fund for Sustainable Development+ (EFSD+) and the External Investment Plan. The Commission encourages other priority sectors, notably the green and digital transition, to also consider the employment perspective of their actions. This will require amongst other working closely with partner countries and relevant stakeholders (e.g. civil society, private sector and financial institutions).

3. Considering the health crisis, how does the Commission plan to carry out post-clearance checks and make the necessary corrections?

Commission's answer:

The Commission includes two-fold legal provisions in all contracts that allow for verifications and checks during and after the implementation of contracts/programmes. On one hand, the legal provisions foresee obligatory verification of expenses or audits linked to payments. On the other, there are legal provisions that allow the Commission to perform additional checks and verifications, if deemed necessary by the Authorising Officers. The latter may use these provisions in the context of the health crisis and perform additional checks. Checks on-the-spot may be replaced by remote checks and, as soon as travel restrictions are eased, a certain increase of on-the-spot checks could take place. In addition, DEVCO's audit and verification plans are multi-annual with some built-in flexibility.

4. The Implementation of the principle of Policy Coherence for Sustainable Development (PCSD) has been challenging, notably on trade issues, even though it is a prerequisite for achieving the Sustainable Development Goals. Has the Commission designed a roadmap on the operationalisation of PCSD and ensuring that EU trade policy does not harm developing countries?

Commission's answer:

Enhancing policy coherence for sustainable development (PCSD) is an important commitment in the 2030 Agenda (SDG target 17.14), and a central part of the Commission's approach to the implementation of the Sustainable Development Goals (SDGs). It requires a holistic and cross-sector policy approach and is ultimately to be ensured by the collegial responsibility of the Commission for the implementation of the SDGs.

The Commission's system of better regulation contributes effectively to ensuring PCSD. Addressing interlinkages, synergies and trade-offs between the three dimensions of sustainable development in impact assessments and evaluations is embedded in the guidance on implementing better regulation.

PCSD also includes ensuring that all EU policies contribute to the achievement of SDGs in partner countries. It builds on the longstanding experience of the Commission on promoting policy coherence for development (PCD).

An important tool is the regular screening of upcoming initiatives, based mainly on the annual Commission Work Programmes (CWP). It identifies for which initiatives external policy considerations, including possible impacts on developing countries, need to be taken into account in their design and reflected as early as possible in their preparation. This inventory is meant to facilitate inter-services cooperation and be used by the services concerned throughout the preparatory process of an initiative to look for coherence and synergies and for mitigating measures in case of trade-offs. Trade-related Commission initiatives are regularly included in this inventory.

The 2021 CWP contains various initiatives with high PCD relevance. Many of them have the potential to significantly enhance sustainability in global supply chains of European companies, such as the sustainable corporate governance initiative or the legislative proposal to reduce imported deforestation in the EU. Close consultations between relevant Commission services are ongoing.

Finally, the Commission is carrying out Sustainability Impact Assessments for all major bilateral and multilateral trade negotiations to identify and mitigate potential negative impacts on partner countries' sustainable development.

5. On the issue of the vulnerability of the global supply chain related to food, the NDICI instrument (and notably the EFSD+), enables the financing of investments in agriculture. To what extent is it consistent with the Farm to Fork Directive and to what extent has the Commission acted on the recommendations of the various Court of Auditors reports related to CAP and EFSD+?

Commission's answer:

The Commission seeks coherence and complementarity between the Farm-to-Fork strategy and the intention to promote investments in EU partner countries.

The Farm-to-Fork strategy makes clear that the Commission will use its international cooperation instruments to support "the global transition to sustainable agri-food systems". Such sustainability will increasingly become determinant in EU partner countries' ability to attract investment and business, thus creating decent jobs.

Policy Coherence for Sustainable Development (PCSD) seeks to ensure coherence; Commission services are currently assessing the consistency of the internal and external dimensions of the Farm-to-Fork strategy in terms of e.g. organic production and sanitary and phyto-sanitary issues.

Concerning blended finance, the orientation provided by the Farm-to-Fork strategy confirms the current approach for reviewing potential agriculture investments in terms of their sustainability and development impact. This is consistent with the wider promotion of the private sector in agriculture by the EU, which adopts a sustainable value chains approach. It is for this purpose that an analytical tool has been developed by the Commission, allowing EU Delegations and partner governments to assess the sustainability of a given value chain (VCA4D[1]).

[1] https://ec.europa.eu/knowledge4policy/publication/value-chain-analysis-development-vca4d-methodological-brief_en

The recent establishment of an EU-Africa Task Force on sustainable agriculture will provide additional advice and guidance for sustainable investments in agriculture and agri-businesses in Africa, including through blended finance.

In September 2020, the European Court of Auditors issued an opinion[2] on the Commission's implementation report for the European Fund for Sustainable Development (EFSD). The Commission has carefully assessed its conclusions, notably as regards compliance with the Regulation, EU leverage, contribution to SDGs and monitoring and evaluation framework. The experience gathered in implementing the EFSD should serve as a solid basis to implement the EFSD+, which will follow the 'policy first' principle and will respond to the EU and its partner countries' priorities, including on agriculture.

6. The Commission should stand by the 'Do No Harm' principle, but nonetheless it seems to fail to prevent dumping practices (e.g. export of powder milk in West Africa, which impairs the functioning of the local market). What actions - under the Farm to Fork Strategy - has the Commission undertaken to tackle this issue? What actions has the Commission taken so far to align the CAP and the Green Deal objectives in the context of Farm to Fork Strategy, in this policy field?

Commission's answer:

Decisions about tariffs, labelling requirements and other conditions for the import of milk powder and other food are taken by the governments of partner countries. These decisions are informed by antidumping rules, food security considerations, population and economic developments, consumption habits as well as by the potential for local production. Over the last years, local production of milk in West Africa increased as well as imports from the EU, New Zealand and other origins. Export refunds for any kind of agricultural product under the Common Agricultural Policy (CAP) have been abrogated and have not been applied since 2013. The Commission is closely monitoring trade in dairy products and fat filled powders, including trade with African countries.

The Commission is currently engaged in trilogue discussions with the European Parliament and the Council to reform the CAP. The Commission acts as an honest broker in those negotiations as well as a champion for greater sustainability in light of the ambition of the Green Deal. In addition, the Commission is preparing recommendations to EU Member States, with regard to their CAP Strategic Plans, with a particular focus on the Green Deal. These recommendations will be issued by the end of 2020.

7. The Commission's cash transfers for the most vulnerable in the poorest countries have proven to facilitate universal social assistance, which is an effective and key tool for tackling extreme poverty in those countries. What has been the Commission's

[2] Opinion No 7/2020 accompanying the Commission's report on the implementation of the European Fund for Sustainable Development

communication on the issue of cash transfers, particularly in the context of management, evaluation and budgetary support thereof?

Commission's answer:

Cash transfers can address different dimensions of poverty and vulnerability, supporting people in need in a fast, flexible and robust manner, while contributing to local and regional economies through consumption. If anchored in longer-term social protection systems, the best possible outcomes can be achieved.

The EU is currently implementing social protection programmes in 29 partner countries through different aid modalities. Almost half of this EUR 1.75 billion investment in social protection is implemented through budget support. The emphasis is placed on strengthening national social protection systems, broadening the scope of coverage and improving the delivery of social assistance programmes (and in particular cash transfers). About 75% of these programmes is spent to support social transfers to individuals.

The 2017 thematic evaluation on the EU support to social protection in external action confirmed that EU-supported cash transfer programmes under the Development Cooperation Instrument, the European Development Fund and the European Neighbourhood Instrument have produced tangible results in enhancing income security and thus alleviating poverty, as attested by rigorous impact assessments.

To give a concrete example, a study by the University of Maastricht, which identified the EU-UNICEF supported Child Grants Programme in Lesotho (grants all children an average amount of USD 10 per household per month), as one of the most cost-effective programmes to reach the extreme poor. Investments of 1% of GDP in this programme have reduced extreme poverty by more than 15%.

Cash transfers are both used under humanitarian and development assistance programmes. Against this background, Commission services (including DEVCO, ECHO and NEAR) have developed a comprehensive Guidance Package on Social Protection across the Humanitarian-Development Nexus (SPaN). This Guidance Package provides advice to both humanitarian and development professionals, including NGOs and partners' institutions in charge of social assistance on how to implement and manage cash transfer programmes. Finally, the EU approach under humanitarian programmes also takes into account the context. The Cash Compendium 2019 recommends to complement humanitarian aid in cash by other interventions and modalities that help to meet basic needs and contribute to building lasting social protection systems.

8. The Commission is involved in programmes in countries at war, such as Yemen and West Africa. What measures are put in place to ensure that the programmes help the civilian population and not the warring parties?

Commission's answer:

The implementation of peace building, recovery and social services programmes in conflict areas implies a careful needs assessments, as well as an integrated approach and strategic cooperation with humanitarian and foreign policy partners. This includes a detailed analysis of the drivers and actors of the conflict, in order to target EU assistance towards the more vulnerable.

The programmes are being delivered to the affected populations in a conflict-sensitive manner, and through reliable and experienced partners (international organisations and civil society organisations), in accordance with the required accountability procedures to verify the final recipients of the EU funding.

The Commission is increasingly working with humanitarian, development and peace actors on the ground in a strategic manner to strengthen resilience of local civilian populations and tackle the root causes of crisis, thus breaking the cycle of recurrent crisis and violence.

In Yemen, development activities support vulnerable crisis-affected communities across the whole country, including those who are internally displaced, by supporting the uninterrupted delivery of basic services and address the main structural drivers of the humanitarian crisis: import blockages for food, medicines and fuel, as well as a persistent loss of livelihoods. The EU development programmes are designed according to conflict analyses anddo-no harm approaches that are regularly updated. Development cooperation with Yemen has been provided through special measures, responding to the rapid development of needs on the ground and implementing through partnerships with UN agencies and international NGOs, rather than through national institutions.

In West Africa, notably the Sahel region (mostly Mali, Burkina Faso, Niger), some (large) parts are indeed no longer under the control of the State, but controlled by armed groups. The European Union provides direct support to the most vulnerable populations within the framework of the peace-development-humanitarian nexus, in order to respond to their primary needs (with increasing focus on food security), while strengthening the capacities of the State and the local authorities.

- In Mali: 310,441 vulnerable people received food assistance, 376,546 in Burkina Faso, 3,064 in Mauritania, 140,393 in Niger, 28,986 in Chad;

- In Mali: 1,804,506 vulnerable people had an improved access to basic services, 494,159 in Burkina Faso, almost 500 in Mauritania, 18,118 au Niger, 256,160 in Chad.

9. With regard to the Commission staff travelling to or working in unstable countries or countries plagued by terrorism, how are the risks to their security analysed and how are security measures adapted on the ground?

Commission's answer:

Commission staff going on mission to a third country are governed by the European Commission's Duty of Care in accordance with the Memorandum of Understanding signed between the EEAS and the Commission in May 2014.

Concerning European Commission colleagues serving in a third country and posted in an EU Delegation, the Duty of Care relies on the EEAS. Hence, the EEAS security guidelines and procedures are applied to assess security risks and implement relevant security measures.

The EEAS assesses security risks on the basis of a new Security Risk Management (SRM) methodology officially endorsed in August 2020[3]). The new SRM methodology in EU Delegations has been progressively deployed over 2019 and 2020. It requires specific security assessments of threats and risks at country and local level, to which the Delegation and the staff are exposed. These assessments are performed by security specialists in both EEAS HQ and Delegations. According to the resulting level of risks, Regional Security Officers (RSOs) recommend an adapted list of complementary security prevention and mitigation measures. The Security Management Teams (SMT) in Delegations implement these measures after the agreement of EEAS management (either HQ or Delegation management according to the type of measure recommended).

Risk assessments are revised minimum once per year in a stable security environment or in case there are changes in the security environment, where the Delegation is located or in the areas, where EU Delegation staff members perform missions. In case of increasing levels of threats, related to armed conflict or terrorism, the RSO assesses additional types of threat scenarios accordingly and proposes additional measures to reduce the risks. Due to the deterioration of the security situation, the following measures have been put in place in some countries: reinforced Delegation's perimeter controls and physical barriers, increased frequency of patrols, armed security guards, reinforced guarding of accommodations and premises, increased number of armoured vehicles, movement of staff reduced to minimum and performance of blast assessment, where relevant.

As a last resort, when the implementation of additional protection or mitigation measures is not possible, and the residual risk levels are at unacceptable levels, the EEAS would evacuate dependents from the place of posting and non-essential staff, if necessary, by either relocating them to a safer neighbouring country or bringing them back to HQ.

10. There are positive achievements made under the European Union Emergency Trust Fund for Africa. The fund's projects are to integrate human rights at the heart of programming and contribute to the respect of human rights in the countries concerned. What are the

[3] (ADMIN(2020)41

measures taken by the Commission in this regard to promote gender equality, women’s empowerment and the protection of the most vulnerable, including children and people with disabilities, in the fund’s programmes?

<u>Commission’s answer</u>:

The EU is firmly committed to the promotion and protection of all human rights, whether civil and political, economic and social and cultural rights, of democratic principles and the rule of law. These values are essential elements of the EU’s partnerships and cooperation agreements with partner countries. The EU and its Member States are integrating the rights-based approach, encompassing all human rights, into development programmes and actions, including those funded through the EU Trust Funds. Gender equality is a core value of the EU and imperative to economic growth, prosperity, good governance, peace and security.

Contributing to the respect of human rights and the promotion of gender equality, youth and women’s empowerment and the protection of the most vulnerable, including children and people with disabilities, are paramount objectives for the EUTF throughout a wide number of partner countries in Africa. In the Sahel and Lake Chad region, as many as 40% of the beneficiaries of EUTF programmes are women. Health, nutrition, and livelihoods activities are implemented with the objective to empower women at household and community level and increase their ability to access services, economic opportunities and resources. The majority of projects in the job creation and socio-economic development sector of the Trust Fund aim at empowering in particular youth and women by addressing skills gaps and setting up dual training courses, and entrepreneurship schemes. In the Horn of Africa region, for example, 57% of the jobs created so far were created for women and at least 38% were created for youth. Women are also an important vector of peace in regions prone to conflict and fragility and as such are important beneficiaries of the governance and security portfolio of the EUTF.

The protection and promotion of the human rights of migrants is also at the core of the EUTF programmes. Tackling the root causes that push people to leave their countries, including human rights violations as well as widespread poverty and lack of basic services, is a question of shared responsibility. Migration management takes place in line with international humanitarian and human rights laws, including the Geneva Convention and the principle of “non-refoulement”. If human rights are not respected in the implementation of these programmes, the Commission can take the necessary steps and suspend activities, in line with contractual agreements with implementing partners. The EU follows closely the respect of human rights through the Union Delegations and in Headquarters. It also relies on project monitoring missions undertaken by external experts, who report on whether the conditions on the ground are conducive to achieve the planned objectives, also in respect of human rights international standards.

Additionally, the EUTF finances programmes designed to strengthen the capacities of internal security forces to respect human rights and international humanitarian law with the view of fighting against impunity and reinforcing trust with the population.

11. Could the Commission please list the countries that benefit from the ElectriFI programme?

Commission's answer:

The Electrification Financing Initiative (ElectriFI) could benefit partner countries eligible under the Development Cooperation Instrument (DCI). The ElectriFI projects signed up until 31 December 2019, support investments increasing access to sustainable, affordable and reliable energy services in the following countries:

i) Asia: Bangladesh, Philippines, Cambodia, India, Myanmar;

ii) Africa: Côte d'Ivoire, Democratic Republic of Congo, Benin, Burundi Ghana, Kenya, Lesotho, Mali, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania, and Togo; and

iii) Latin America and the Caribbean: Haiti.

Country-specific questions

12. Could the Commission please provide a list of projects in Eritrea, in which the Commission is involved?

Commission's answer:

Under the European Development Fund (EDF) the only ongoing projects are the "Solar Photo-Voltaic Mini Grids for Two Rural Towns and Surrounding Villages in Eritrea" (10th EDF, ACP-EU Energy Facility) (EU contribution of EUR 8 million) and the related Final Evaluation and Expenditure Verification.

Under the EU Emergency Trust Fund for Africa (EUTF) the following projects have been committed (but only the first one is under implementation):

- Reconnecting Eritrea and Ethiopia through rehabilitation of the main arterial roads in Eritrea (Phase 1, EUR 20 million)
- Reconnecting Eritrea and Ethiopia through rehabilitation of the main arterial roads in Eritrea (Phase 2)
- Sustainable Job Creation and Growth for Increased Food Security and Resilience in Eritrea
- Strengthening Eritrea's National Statistics and Macroeconomic Statistics Systems (SENSS)
- Support to the Eritrean Health system to be better prepared and respond to public health threats
- Increasing the capacity of the Government of the State of Eritrea (GoSE) to implement the recommendations of Universal Periodic Review (UPR)
- Migration-development nexus: multi-year diaspora engagement for Eritrea
- Enhancing the efficiency of justice administration in Eritrea

- Strengthening economic governance capacities in Eritrea

Under the thematic instruments European Instrument for Democracy and Human Rights (EIDHR) and Civil Society Organisation – Local Authorities (CSO-LA) there are nine ongoing (active) projects with a total EU contribution of around EUR 3 million. These contribute, inter alia, to strengthening the institutional and human resource of the local organisations and their capacities to deliver services to the Eritrean population, especially to people living in vulnerable situations (i.e. families with children with disabilities, deaf, blind persons, and people living with HIV/AIDS). The EU support to such associations is essential for their survival as there are no other major development partners in the country working directly with local CSOs. Under the Development Cooperation Instrument – Global Public Goods and Challenges (DCI -GPGC), one project is financed under the DeSIRA Initiative / Food and Nutrition Security and Sustainable Agriculture (FSSA) programme (2018-2020), "Climate Smart Agriculture Research and Innovation Support for Dairy Value Chains in Eritrea"(EU contribution of EUR 4 million).

13. In a recent report on Kenya, analysing aid provided between 2014 and 2020, the Court considered that the Commission has failed to show that the aid has removed obstacles to the country's development, or that it has been used primarily to reduce poverty. How does the Commission respond to these considerations?

Commission's answer:

The Commission considers that European Union support to Kenya has been based on the country's specific needs and priorities. It was aligned with Kenya's national development plan (Vision 2030), with the EU Agenda for Change, and directed to reduce poverty in the country. The European Union has contributed significantly to Kenya's economic and social progress in the past decade, and the Court's conclusion that the EU projects under the 10th EDF generally delivered their expected results certainly point to that direction.

The sectors identified with the Kenyan government for EU support were selected based on their poverty reduction potential. The relevance of EU focal sectors (such as infrastructure, agriculture, food security, climate resilience, governance and, more recently, job creation) for poverty reduction has been demonstrated time and again by academic and practical research works, in Kenya and elsewhere. The Commission however agrees that measuring the impact of aid on the country's development is a complex challenge, as also noted in the related Council Conclusions, and it is worth recalling that EU support over in the period represented less than 1 per thousand of the country GDP, and less than 4% of all Overseas Development Assistance to Kenya.

Yet, thanks to the EU aid, roads were built, renewable energy production capacities were increased, hundreds of thousands of farmers were supported to ensure food security and capacities of government institutions were reinforced to promote good governance and to implement sound development policies. In parallel, the EU policy engagement in Kenya, in promoting governance, reforms and a conducive environment to sustainable growth, also contributed to reduce obstacles to poverty reduction in the country.

The Commission will build on the experience and lessons learnt in Kenya, as well as on the experiences of the EU Member States, to ensure that the next programming continues to focus on poverty alleviation and identifies key sectors where EU can deliver the greatest impact and value added.

14. In its Special Report 9/2019 on EU support to Morocco, the Court pointed out that the lack of rigorous controls when evaluating the results had a financial impact of EUR 6.79 million. The Commission was planning to carry out an evaluation of EU support/assistance to the country in 2019. What are the results of this evaluation, and what control measures will the Commission put in place to ensure the proper use of EU aid funds? Which new measures have been put in place to ensure the visibility of EU support to Morocco as it is one of the main donors in the country? The Court made six recommendations in this regard, has the Commission implemented them?

Commission's answer:

The Commission is currently implementing the action plan agreed with ECA in response to the recommendations in the ECA's 2019 performance audit. All measures agreed by the Commission will be implemented by June 2021. In addition, the EU launched in March 2020 an Evaluation of EU assistance, provided to Morocco since 2014 in the form of budget support. This evaluation is due to be completed by mid-2021. During 2020, the Commission, in line with ECA recommendations, has further optimised budget support programming, design, monitoring and evaluation, including in the new and re-formulated operations, which have helped to provide relevant and rapid support in the context of the COVID-19 crisis. Thus, the EU budget support programmes in Morocco are supporting the government needs in critical sectors: macroeconomics and economic recovery, education, health and social protection, all of which are at the heart of the Government response to the pandemic. The new programmes also have an improved focus on results (92% of targets in the 2020 Health and Education budget support programmes are results oriented, while 8% being process oriented) and visibility, as well as enhancing the sectoral dialogue with the government, civil society, Member States and other donors.

More specifically, the Commission notes that the limited visibility of EU support in Morocco during the audited period was directly linked to the difficult political context, following the European Court of Justice ruling on the import of products from Western Sahara. Hence visibility has significantly improved since then with high-level meetings (Skhirat brainstorming and Joint Declaration in June 2019), with wide media coverage of all EU initiatives (e.g. EU support to the COVID response) and events linked to budget support programmes being widely reported in the media. In addition, the Commission is strengthening human and financial resources devoted to communication to ensure an improved, structured and more strategic approach to communication and visibility of all the EU cooperation projects and programmes with Morocco.

Finally, in relation to monitoring and disbursement verifications, the Commission ensures that the payments pass both the EU Delegation and Headquarters comprehensive review and adequate sources of verification are used in line with existing Budget Support guidelines.

Questions related to the 2019 AAR of DG DEVCO

15. On page 39 of its Annual Activity Report, DG DEVCO states that it has introduced 99 exceptions. For which type of programmes have these exceptions been introduced? What is the financial amount affected? Have there been any necessary adjustments, and if so - which kind, and to which amounts?

Commission's answer:

Exceptions concern a variety of programmes financed either through the EDF or the Union Budget, implemented in direct or indirect management. As explained in the 2019 AAR, *'Exceptions are not a breach of rules or procedures. They are approved by the competent authority before action is taken (ex-ante) and registered.'* Therefore, exceptions as such do not affect the regularity of operations carried out by DG DEVCO and as they have no financial impact, they do not require specific 'financial adjustments'.

More specifically, as concerns indirect management:

• 16 exceptions were registered on Financing Agreements. These exceptions aimed at modifying standard provisions of the General Conditions, in order to target specific needs of partner countries and partner regional organisations.

• 49 exceptions were registered on agreements (administration agreements, PAGoDAs or contribution agreements), with pillar-assessed partners, such as international organisations or Member States' agencies. These exceptions aimed at modifying the standard provisions of the General Conditions, in order to cater for specific needs of such partners.

• 4 exceptions were registered on programme estimates. Out of those exceptions, 3 aimed at authorizing the extension of the programme estimates' implementation period beyond the maximum period stipulated in the programme estimate's guide. This represents a strong reduction in comparison with 2018, where 15 exceptions were registered for the same reason.

• 1 exception was registered in relation to a financing decision, in order to derogate from the Action Document template included in DEVCO's guidance documents.

As concerns contracts in direct management, 21 exceptions were registered on grant contracts and 8 exceptions were registered on service contracts, in order to cater for very specific requirements linked to the local context, where the action is implemented, the recipients of funds and/or to the financial/operational risks involved in the implementation of the activities.

Each of these exceptions was decided, in compliance with the corporate guidance on exceptions' reporting, by the relevant Authorising Officer in charge. They were the best possible decisions. All of those exceptions were afterwards reviewed to avoid systemic issues and further improve the procedures in place.

The full list of exceptions for 2019 is attached:

List of Exceptions 2019 with contract titl

16. In 2019, seven supervision missions were organised, inter alia, to Indonesia, Ethiopia, and Mali. On which criteria are such missions decided?

Commission's answer:

At the end of 2017, DG DEVCO issued guidelines for supervision missions of EU Delegations. According to these, Delegations to be visited are selected using a risk-based assessment, on the basis of the information provided by the External Assistance Management Reports (EAMR) and the results of the Key Performance Indicators (KPI) exercise, notably the red and orange KPIs. The decision can also be taken by the Director in charge, on the basis of his own substantiated or documented assessment. Regarding the specific Delegations mentioned, the Indonesia Delegation has been selected using a risk-based assessment that includes information provided through the External Assistance Management Report, the results of the Key Performance Indicators and the assessment by the geographic Director in charge. In addition, the previous supervision mission took place several years before. For Mali, Key Performance Indicators played a determining role, while for Ethiopia, the important criteria were the portfolio size and the previous supervision mission dating back 2012.

17. The Court believes that the controls of some Directorates-General, including DG DEVCO, along with DG NEAR, ECHO, CLIMA and FPI, should be strengthened through the detection and prevention of recurring errors (e.g., lack of system for recording working time, and the charging of VAT not eligible for EU-funded projects). What is your opinion on this, and what follow-up will be given to the recommendation?

Commission's answer:

The Commission accepted the Court's recommendation to strengthen checks by identifying and preventing recurrent errors included in the Annual Report on the implementation of the EU budget for the 2019 financial year clarifying that it continuously adjusts its control system and includes relevant measures in its action plans. The measures include the revision of checklists, updates of instructions and regular trainings and information sessions, where relevant and needed.

18. What is the reason for the low number of on-the-spot checks in DG DEVCO's RER study's methodology, and is it envisaged that this number be increased, as the Court recommends?

Commission's answer:

By design, the RER study is mainly a desk review. Indeed, by definition, all projects financed by the transactions under review are already finalised and contracts closed, sometimes since various years. On-the-spot visits are carried out when there is a clear added value, following a cost benefit assessment.

19. How does DG DEVCO intend to modify its methodology to reflect more accurately the higher risk in the area of direct management grants?

Commission's answer:

DG DEVCO considers it assesses the risk pertaining to the direct management of grants prudently, based on the analysis of all relevant information, including the findings of the European Court of Auditors (ECA) and the results of RER study, for both the current financial year and recent years.

One of the main features of DEVCO's Annual Activity Report is the risk-differentiated assurance, based on risk indices per relevant control systems. While in this assessment there is a higher risk index for grants in direct management than for other relevant control systems, for the year 2019 the indicative estimated error rate for grants in direct management is below the threshold for reservations.

Nevertheless, in October 2020 DEVCO's management adopted the Action Plan 2020 following past reservations concerning the error rate and other high-risk areas identified in DG DEVCO's Annual Activity Reports as well as issues identified by ECA. Relevant previously initiated actions on some areas subject to past reservations, including direct management of grants, are continued and included in this plan. Namely, the Action Plan 2020 includes the following two actions concerning direct management of grants:

A1 – Simplify and clarify procedures and contractual conditions for grants.

A2 – Maintain awareness on frequently occurring errors in financial and document management for the implementation of grant contracts.

DG DEVCO is developing new IT tools, which aim to facilitate the management of grants. In addition, relevant trainings and guidance concerning financial and document management continue to be developed for EU staff, potential applicants for EU funds and national authorising officers in third countries.

20. What is the state of play of the DG DEVCO 2019 action plan aiming at improving the methodology and manual used for DG DEVCO's RER study?

Commission's answer:

The DG DEVCO 2019 Action Plan included the action ***Introduce more comprehensive guidance on the issues raised by the European Court of Auditors (ECA) in the context of the 2018 Declaration of Assurance related to the European Development Fund (EDF).*** This task was implemented through an adaptation of the RER manual and methodology (mainly as concerns the guidance on reliance on prior control work and on the procedures relating to procurement and a new way to deal with estimations). These changes are fully applied to the ongoing 2020 RER study. In the meantime, the ECA recommended another adaptation of these documents, to take account of the remarks made in its 2019 Annual EDF Report. The Commission is working on these proposals. The timeframe envisaged for the implementation of this latest recommendation is the end of 2021.

21. What are the reasons for the postponement of six actions, which were carried over to 2019 action plan from previous years? Is it expected that the new target dates will be met?

Commission's answer:

While DG DEVCO adopts a new action plan each year, it is worth noting that each plan is based on the assessment of the previous action plan, the findings by the ECA and the evaluation of underlying risks. When actions are carried over, they are not postponed: it means that based on the state of implementation of a given action and the evaluation of underlying risks, DEVCO has decided to include the action in the new action plan and will continue its implementation.

Six actions of the 2018 action plan were carried over to the 2019 action plan, mainly for the following reasons: their implementation was dependent on then-ongoing corporate discussions, more time was needed to develop frameworks to put in practice some new possibilities introduced by the 2018 Financial Regulation and in many cases, the complexity of the subject matter warranted further consultations with partner international organisations. By the adoption of the current 2020 Action Plan in October 2020, four of these actions have been implemented and two remain ongoing. One ongoing action (Action Plan 2019/A1) is dependent on the development of IT systems and the implementation of the other one (Action Plan 2019/D3) experienced delays, due to the COVID-2019 crisis. It is expected that the target dates of the 2020 Action Plan will be met.

Questions on the follow-up to the 2018 discharge

In its 2018 discharge resolution, the Parliament expressed its concerns about the large number of contracts awarded to a very limited number of national development agencies. In its follow-up reply, the Commission recalls its strict procurement and contracting procedures, which are not being questioned.

22. Could the Commission please provide a list of national development agencies awarded with contracts since 2010, including their Member State, the total amount awarded by agency by year, the percentage that each agency has received from the total per year, and the perceptual variation from the previous year?

Commission's answer:

The information requested by the European Parliament is presented in the enclosed table.

It takes into account all contracts signed in indirect management with "pillar assessed" national agencies for the period 2010-2019 and funded through Heading IV of the general budget of the Union, by the European Development Fund, and by EU trust funds. All Commission services funded by these instruments are included.

In order to be exhaustive, we have taken into account a number of organisations that are using the legal entity file of their central government. They are reported in the table under the label of the state they belong to.

Table Ctr MS agencies 2010 to 201'

23. How does the Commission prevent any distortion of competition between this limited number of strongly subsidised national agencies and other public/private entities with a clear European vocation?

Commission's answer:

The Commission has to justify its final choice of partners, on the basis of comparative advantages, i.e. why an action should be implemented via a national agency in indirect management or via the private sector or NGOs. More specifically, if the Commission chooses a national agency as implementing partner, the following points are taken into consideration: (1) its activities must contribute to European development policy objectives and the 2030 Agenda, (2) it must be mandated by national government(s), (3) operate on the highest government level and (4) have technical or financial experience in project implementation.

With a particular regard to implementing partners in delegated cooperation, the Commission procedures require that the choice of the implementing partner is justified, highlighting the additional benefits of a specific partner compared to other potential implementing partners.

The principles justifying the recourse to indirect management and the reasons of the selection of specific bodies are referred in Annex 6 of DG DEVCO Annual Activity Report, which can be found under the following link:
https://ec.europa.eu/info/sites/info/files/devco_aar_2019_annexes_en.pdf

In its 2018 Discharge Resolution, the European Parliament reiterated the urgent request to the Commission to implement the decisions of the Court of Justice[4] in relation with the International Management Group's (IMG) case. IMG received more than EUR 80 million in contracts between 1995 and 2019 under the specific derogation provisions provided by the Financial Regulation to attribute direct contracts in countries in crisis and/or urgency situations. The Commission stopped concluding any single contract since mid-2014 with IMG under those provisions, even though the legal statute of the entities benefiting of such derogations may belong to all legal forms (private firms, NGOs, IOs, GIE, ad hoc consortia, consultancy firms, individuals etc.).

24. Could the Commission confirm if the suspension, decided in April 2014, of the conclusion of any form of contract with IMG[5] has been formally revoked, and relevant Headquarter services and EU Delegations have been informed that IMG is consequently eligible to service or grant contracts, notably under the flexible procedure to be used in crisis situations where there is no tender procedures?

Commission's answer:

What was put into question was IMG's status as an international organisation as a consequence of an OLAF investigation, of which DEVCO was informed in February 2014.

After receipt of the corresponding OLAF information, on 26 February 2014 the Director-General of DG DEVCO, acting in its capacity as authorising officer, adopted precautionary measures in relation to the recognition of the legal status of IMG as an international organisation within the meaning of the Financial Regulation. These measures were communicated to IMG by a letter of 25 April 2014. According to that letter, the Director-General of DG DEVCO suspended temporarily the use of the contractual procedures applicable to international organisations until more certainty was available on the exact legal status of IMG. However, this decision did not affect the possibility to sign contracts that were awarded on the basis of best value for money further to a tender procedure or award a grant agreement following a call for proposals.

By letter of 8 May 2015, IMG was informed that Commission services would not enter into any new contract with IMG on the basis of the special procedure laid down in the Financial Regulation for international organisations (indirect management). However, IMG continued to be potentially eligible when applying under the normal procurement rules for further contracts with the Commission where they met the eligibility criteria.

That decision of 8 May 2015 was annulled by the EU Court of Justice in its judgment of 31 January 2019 (joined cases C-183/17 P and C-184/17 P).

However, the judgment of the Court of Justice of 31 January 2019 did not take a position as to whether IMG is an international organisation.

[4] Judgement of the Court of Justice of 31 January 2019, International Management Group v European Commission, Joined Cases C-183/17 P and C-184/17 P, ECLI:EU:C:2019:78

[5] Note from 26 February 2014 of Mr Frutuoso de Melo, former Director General at DG DEVCO

As confirmed by the subsequent Court of Justice's order of 9 June 2020 (case C-183/17 P-INT), the EU General Court's judgment of 9 September 2020 (Case T-381/15 RENV) and the EU General Court's order of 9 September 2020 (Case T-645/19), in order to correctly implement the Court of Justice's judgment of 31 January 2019, the Commission must re-assess IMG's status in full respect of the EU Financial Regulation. This assessment is currently on-going and will conclude whether IMG can be a partner on indirect management for the Commission.LNEAR Independently of the conclusion of the assessment, IMG could always, participate to open call for tender or proposal if the eligibility conditions are met.

Regarding flexible procedures to be used in crisis situation, Regulation (EU, Euratom) No 2018/1046 of 18 July 2018 (Financial Regulation 2018) provides for enhanced flexibility to the contract award rules for actions to be implemented in a country in crisis situation. However, such direct contract awards remain a derogation. Furthermore, where flexible procedures are used in crisis situations, the responsible Authorising Officer is still under the obligation to assess the tenderer or applicant vis-à-vis the eligibility, exclusion, selection and award criteria, determined for the action. In addition to these criteria, the award of procurement contracts is based on the most economically advantageous tender, while grants are awarded to those actions that, while helping to achieve a Union policy objective, maximise the overall effectiveness and added value of the Union funding.

25. How many meetings with IMG representatives has the Commission held in the last year to try to find a solution to the conflict?

Commission's answer:

Due to the three different court proceedings on-going in the last year with IMG (T-381/15 RENV, C-183/17 P-INT and T-645/19) there were no meetings between the Commission and IMG in the last year.

However, for the implementation of the judgment of the Court of Justice in joined cases C-183/17 P and C-184/17 P, the Commission maintained written communication with IMG throughout this process, especially urging IMG to provide the documents necessary for the Commission to be in a position to reassess its status, as the Court had ruled that the Commission's decision to not enter into new contracts with IMG under the special procedure for international organisations had not been duly justified. Should the Commission, at the end of its assessment, conclude that IMG is not an international organisation for the purpose of cooperation in indirect management, IMG will also be given the opportunity to set out its views to the Commission.

Negotiating a settlement with IMG under those circumstances would not have been appropriate, and would not be in accordance with the Commission's responsibility to ensure the correct implementation of the EU budget, in full respect of the applicable rules. Indeed, the only way to correctly implement the Court's judgment is to re-assess the status of IMG against the criteria of the Financial Regulation and its Implementing Rules based on all relevant information available.

26. Can the Commission confirm if the list of beneficiaries awarded with contracts under the flexible procedure and under indirect management is regularly published, and if so - where?

Commission's answer:

The information on contracts awarded (including flexible procedures) under direct management and indirect management by the partner country of the previous financial year is published annually by DG DEVCO and DG NEAR on the "Search tool for recipients of funds": http://ec.europa.eu/europeaid/work/funding/beneficiaries/

Publication of data of year N-1 usually takes place by end of June of year N.

As regards contracts awarded under indirect management by any other entity than the partner country, entities implementing Union funds must publish information, about their contractors (for EU-funded procurement contracts exceeding EUR 15,000) and grant beneficiaries subject to possible exceptions (where such disclosure risks threatening rights and freedoms as protected by the Charter of Fundamental Rights of the European Union or harm commercial interests). In the context of multi-donor actions, where the EU contribution is not earmarked, the publication of information on contractors and grant beneficiaries follows the rules of the entities implementing Union funds in indirect management. The publication is done generally on an annual basis and on their internet sites.

The obligations for publication are part of the contractual obligation as set out in the relevant agreements with the Commission (i.e. contribution agreement).

Questions concerning performance

27. The Court observes in its 2019 Annual Report on performance of the EU budget that by the end of 2019 the implementation rate of the Development Cooperation Instrument is only 40 %. What is the implementation level of this instrument at present? What are the reasons for the delay in DCI implementation? What measures has the Commission undertaken to improve the implementation?

Commission's answer:

As of mid-November 2020, the Commission has committed 96% of the Development Cooperation Instrument (DCI) allocation and spent 50%. We expect the entire DCI allocation to be committed by the end of 2020. Most of the financing decisions adopted by the

Commission in the context of the DCI include multiannual actions. At the end of 2019, the average implementation period of the projects funded by the general budget of the Union was three years. It is therefore normal that part of the operations will have to be completed and paid after 2020.

28. What is the Commission's assessment of the Switch Asia and Switch Africa programmes?

Commission's answer:

The SWITCH Regional Programmes aim at supporting the transition of both Asia and Africa to a low-carbon, resource efficient and circular economy, whilst promoting more sustainable supply chains and products. The evaluation of "EU international cooperation on Sustainable Consumption and Production", published in 2018 and focusing on the SWITCH Regional Programmes, drew generally positive conclusions about their impact and relevance. In particular, the "initiatives have achieved positive outputs and outcomes, for example assisting with drafting of policies and legislation, raising awareness of stakeholders and training Micro, Small and Medium-sized Enterprises (MSMEs) in Green Economy principles" and their "impact is quite high, in terms of uptake of SCP practices and increased levels of investments by Micro, Small & Medium Enterprises, contributing notably to the creation of green jobs".

The evaluation also identified areas of improvement, notably regarding the effectiveness of the regional policy support actions of the SWITCH-Africa Green Programme. It also calls to better take into account country needs and concentrate on specific sectors contributing to pollution and environmental degradation. The Commission is of the opinion that this evaluation gives a proper assessment of SWITCH-Asia and SWITCH-Africa, as both programmes have achieved significant results, notably through their support to green business activities and technical assistance.

In 2019, SWITCH-Asia was extended to the five Central Asian countries, thus covering the whole Asia region, from Central Asia to East Asia, while 22 new projects were awarded in 16 countries, contributing to the priorities of the EU Green Deal (notably the Circular Economy Action Plan and the Farm to Fork Strategy) supporting the transition of energy-intense industrial sectors such as textiles, plastics, constructions and electronics. The Commission also acknowledges that SWITCH-Africa have been less effective during its first phase. Measures have been taken to better analyse and document impact, while closer monitoring is ongoing.

29. How would the Commission evaluate the development of SMEs and private employment in Africa, and what is the impact of the development aid for SMEs and private employment in Africa?

Commission's answer:

The Micro, Small and Medium-sized Enterprises (MSMEs) are the engines that drive economic development in Africa. MSMEs account for almost 90% of businesses and create around 80% of the region's employment, establishing a new middle class and fuelling demand for new goods and services. Many MSMEs face numerous challenges ranging from power shortage, lack of capital, poor management skills, and inadequate information.

The Commission supports the development of MSMEs and private employment in Africa through different initiatives and programmes. It supports creation of new firms (including start-ups), innovative business models, business development services, capacity building of business intermediary organisations, capacity to engage in regional and global value chains, development of Information and Communications Technology (ICT) products and services, e-commerce, technical and vocational training and skills development, investment in innovation and research, technology transfers, clusters and networking. An important focus is put on the improvement of the business environment and the investment climate. Particular attention is given to women economic empowerment and youth.

Access to finance for MSMEs includes microfinance, and encourages innovative financial instruments such as blending operations and guaranties under the EU's External Investment Plan.

Support to MSMEs responds also to priority sectors of African partner countries, from agribusiness, manufacturing, tourism, to trade and services.

Evaluations of the EU's support to SME development have been carried out as part of wider cooperation initiatives (such as trade development, agriculture reform, food security, Social Action Fund) and in general scored medium-high in terms of effectiveness and high in terms of relevance. Their efficiency remains medium-low mainly due to issues related to capacity-building aspects in the relevant public administrations of partner countries and delays in spending. Initiatives at the local level (support to cooperatives or associations of producers) are considered to remain an important element for strengthening the contribution of MSMEs to the economy, particularly in the agricultural sector. Additional efforts are called for in accompanying small producers in marketing their products at different levels and in implementing valid sustainability initiatives.

Looking forward, the Commission has included in its Evaluation Work Plan for the period 2021-2024 the evaluation of the EU's External Investment Plan which is considered an example of a 'smarter' use of Official Development Assistance to leverage funding from other sources, create quality and decent jobs, including through private sector development, and generate inclusive sustainable growth for the benefit of the poorest.

An example of programmes and projects focusing on SMEs is a 6-year (2012-2018) Standardisation, Quality assurance, Accreditation and Metrology infrastructure (SQAM) Project aiming to tackle the trade barrier of certification for SMEs and to enhance the ability to export goods from Malawi.

Another example concerns Cameroon that benefits since 2016 from EU support to strengthen the capacities of its economic operators and promote an institutional environment more conducive to business through the project "mybusiness.cm". The project helped to formalise more than 25,000 MSMEs by simplifying and automating business creation and to reduce business registrations time to less than 72 hours.

30. What is the Commission's assessment of the projects supporting digitalisation of poor countries, mainly in Africa?

<u>Commission's answer</u>:

The strategic assessment of digitalisation projects in Sub-Saharan Africa (SSA) – launched in 2019 and finalised in June 2020 – addressed two main elements: (a) the "relevance" i.e. to what extent projects and programmes funded by DEVCO-managed programmes are aligned with the Digitalisation for Development (D4D) framework[6]; (b) the "effectiveness" i.e. what are the barriers and enablers to mainstreaming digitalisation in development cooperation.

With respect to (a), the main conclusion is that it will be necessary to strengthen the strategic design of interventions in order to make actions more coherent and cohesive. According to the strategic assessment, in the past years the EU approach was too fragmented; the recommendation is to enhance coordination and focus in the future.

With respect to (b), it will be important to centre EU action especially on addressing the high costs to unlock Africa's digital transformation, such as those required to expand and enhance connectivity. Other challenges include the digital divide which is strong between and within countries, urban and rural areas, and men and women, the competition faced by the EU human-centred and value-based model[7] against other approaches.

Enablers for tackling the above mentioned challenges include:

(i) the prioritisation of digitalisation as a geopolitical objective by the European Commission, will help positioning the EU as a global actor in Africa;

(ii) the EU's extensive network of delegations and partner stakeholders (national, regional, and continental actors) should be used to strengthen coordination;

(iii) the recognition of the benefits of the EU internal market and the role played by the EU as a model for data governance could help dialogue with partner countries; and

(iv) the EU's efforts in helping consolidating Africa's regional and continental integration agenda constitute the right framework to address digitalisation in Africa.

31. What is the success rate of the different EU Trust Funds ('Bêkou', 'Africa' and 'Colombia') in relation to their respective objectives to be achieved? What measures could the Commission take to make the results more transparent in terms of effectiveness?

<u>Commission's answer</u>:

With an initial allocation of EUR 1.9 billion in November 2015, the **EUTF for Africa** has been able to raise, as of 23 November 2020, resources from the EDF, EU budget, Member States and other donors for a total of EUR 5 billion, of which 11% are from non-EU donors. As of 23

[6] https://ec.europa.eu/transparency/regdoc/rep/10102/2017/EN/SWD-2017-157-F1-EN-MAIN-PART-1.PDF

[7] European Commission communication COM(2020) 67 : "Shaping Europe's digital future"

November 2020, under the EUTF for Africa, 256 programmes were adopted across the three regions for a total of EUR 4.8 billion (99.1% of the funding allocated for programmes), contracts were signed for a total of more than EUR 4.2 billion (88.2 % of the approved funding), and more than EUR 2.7 billion has been disbursed (65.2 % of the funding contracted).

In the last five years, the EUTF for Africa has demonstrated to be an effective implementing tool: it has reinforced the political and policy dialogue with partner countries, strengthened the partnership between the EU and a wide number of stakeholders on the ground, has demonstrated flexibility, when needed, has pooled together resources, expertise and experience from a number of sources; and, more importantly, has produced concrete and visible results, showing that these remarkable investments are bearing their fruits. The EUTF for Africa has progressively made efforts to ensure transparency and visibility through its dedicated website (https://ec.europa.eu/trustfundforafrica/index_en), by making available to the public information regarding programmes across the three regions, financial resources, successful stories/news about specific programmes and detailed reports on results produced by the Monitoring and Learning System in place.

The well-performing Monitoring & Learning systems collect data on output results based on a number of common indicators for the three region. Based on the latest reports on the Sahel/Lake Chad and Horn of Africa region, 5,537,577 basic services have been delivered, more than 466,379 people have been assisted to develop income-generating activities, 8,365,333 people are receiving food assistance, 1,917,454 potential migrants have been reached by information campaigns on migration and 174,013 returning migrants are benefitting from post arrival and reintegration assistance.

Bringing together funds from inside and outside the EU, **the Bêkou Trust Fund** has increased its financial resources fivefold since its creation (to EUR 307.8 million), with nearly 30% of the pledges coming from the EU Member States and Switzerland. It has already financed 22 actions for a total of EUR 286.2 million (96% of certified contributions), of which EUR 269.4 million are already contracted (94 %) and EUR 186.8 million (69 %) are already paid.

The Bêkou Trust Fund is reaching nearly 3 million beneficiaries, in a country of 5.2 million people, notably by providing quality health services (1.8 million people), increased access to drinking water and sanitation services (361,500 people) and supporting economic recovery particularly in the sectors of agriculture and pastoralism (875,485 people). The Trust Fund finances actions across the country, building resilience for the population and for the State, in a “Linking Relief, Rehabilitation and Development” (LRRD) approach. Moreover, thanks to its adaptability and reactiveness, it quickly responded to the COVID crisis by reallocating EUR 4.2 million towards health and water and sanitation needs, and funded the local production and distribution of 50,000 masks.

The Commission will continue and further enhance its efforts in making available performance related data, i.e. publishing success stories and sharing the progress of results indicators in the revamped Trust Fund webpage (https://ec.europa.eu/international-partnerships/programmes/le-fonds-fiduciaire-bekou_fr). In parallel, the Trust Fund will reinforce its efforts in communicating results to the Central African population.

The objective of the **EUTF Colombia** is to accompany the implementation of the Peace Agreement between the Government of Colombia and the ex-FARC, with specific focus on rural development, reincorporation of ex-combatants into civilian life, civil society participation, resilience of most vulnerable population, including women and children, indigenous and Afro-Colombians. The EUTF Columbia has currently a total volume of EUR 127 million in commitment appropriations available, of which EUR 103 million (81%) has been contracted and EUR 63 million (49.6%) disbursed.

Up to June 2020, the EUTF supported 11,434 farmers in improving their household economy or business model, more than 10,000 families to increase their income; trained 6,000 farmers on sustainable production and work inclusion; increased access to basic services for 8,800 people in conflict affected areas; strengthened capacity within 165 grassroots organisations or small businesses and helped 69 grass root organisations to develop their own projects; trained more than 2,500 citizens to increase their ability to participate in policy formulation and dialogue; trained more than 1,000 former FARC combatants in vocational or business skills; supported the participation of more than 8,000 people and 14,000 children in activities related to reconciliation and peace building.

Project implementation progress and results achieved are made available through the EUTF Colombia website, which is updated regularly: https://www.fondoeuropeoparalapaz.eu.

Questions on conflicts around the Virunga National Park, a UNESCO world heritage site in eastern Democratic Republic of the Congo

The Commission has invested millions in conservation projects of the Virunga Park over the years. The rights, needs and opinions of the people living in the Virunga region don’t seem to be sufficiently taken into account in the EU policies. The Commission is planning to provide more development aid to the Virunga Foundation, the British NGO responsible for managing Virunga National Park in eastern DRC.

32. Could the Commission please explain which safeguards it has put in place to ensure that this aid is not used for any military expenditure (as EU funding currently seems to be used for supplementing the salary of the paramilitary park guards, their daily operations and that of the Quick Reaction Force, and operations conducted together with the Congolese army, the FARDC)?

Commission’s answer:

Park rangers belong to the *Institut Congolais de Conservation de la Nature* (ICCN, the State authority overseeing national parks). The ICCN falls under the Ministry of Environment and Sustainable Development that has the protection of nature conservation as part of its mandate. Park rangers are held up to high standards and are trained accordingly (please see reply to question 34) and work in dangerous conditions..

In line with the OECD DAC rules on ODA financing, the European Development Fund (EDF) and the Development Cooperation Instrument (DCI) do not allow for financing military expenditure. The EU procedures ensure this is the case, since EU grants to Virunga Foundation have to show the nature of the expenditure, and expenditure verifications are performed before any payment is made.

These Commission-level safeguards complement the comprehensive safeguards already developed by Virunga Foundation, presented in question 34, on prevention of human rights abuses.

33. Could the Commission explain the safeguards it has in place to ensure that the aid actually contributes to sustainably improving the security and livelihoods of people living in the park area? The EU has invested over EUR 50 million in the park via the Virunga Foundation, yet there has not been an independent evaluation that this heavy investment has improved the situation of local people living around the park. How does the Commission monitor and evaluate the impacts of its investments on the security situation - which seems to have deteriorated in recent years - as well as on local livelihoods? How often will independent evaluations of the socio-economic impacts be conducted and where are the results published?

<u>Commission's answer</u>:

Commission procedures foresee that every action undergoes an independent final evaluation, and a mid-term evaluation for longer-term projects. Strategic evaluations of the country programme are also undertaken. Evaluations end with stakeholder meetings, during which results are shared, and reports are either published on the web or available on demand.

Three independent evaluations have been carried out to cover all dimensions of the EU support and to measure the impact on local people living around the park (2014, 2019 and 2020). In addition to external evaluations contracted by the Commission, decisions are informed by evaluations of other development partners such as the CDC (UK's development finance institution) and the International Union for Conservation of Nature (IUCN).

External monitoring is done on a continuous basis through the Commission's Results-Oriented Monitoring system, as well as a dedicated technical assistance facility (2011 – ongoing). This facility produces studies and monitoring reports which informs project management, policy dialogue and decision-making. In addition, the Universities of Antwerp and Oxford have set up an independent multidisciplinary study on impact of park activities on development for local communities (2019-2024). Results feed into the way the park is managed and to continuously improve its relations with local communities.

Evaluation and monitoring mission reports confirm that the Commission's support to Virunga National Park puts people and economic development at the centre of EU actions. In particular, improving security and livelihoods of people living around the park area (about 4 million people) is at the heart of the Virunga's strategy and the Union's intervention logic, as a critical condition for the protection of biodiversity. Overall an integrated model benefitting people and also biodiversity and thus, contributing to prosperity and peace. A large part of EU support to Virunga is dedicated to productive activities (hydroelectricity, sustainable agriculture and fisheries, support to small businesses). Revenues from tourism and electricity contribute to the Park's management costs, and they also fund hospitals and schools which also benefit from free electricity, and community programmes like water/sanitation.

Improving the security of the population is addressed through protected convoys along roads crossing the park. Since 2016, this measure has contributed to reducing the number of attacks on the population from 115 in 2015 to 52 in 2019. Park rangers also contributed significantly to Ebola control, through security sanitary controls on three strategic points of passage through the park. Park rangers can also reduce violence in communities by alerting the appropriate security forces (police, army).

34. How is the Commission ensuring that the aid does not have unintended consequences? What mechanisms are in place to monitor potential human rights abuses by park guards, including against indigenous populations, and to what extent are these mechanisms independent from the park? How will you ensure that the EU support to law enforcement in the park does not lead to violations of due process and that defendants have access to legal counsel?

Commission's answer:

The Commission views all human rights as universal, indivisible and interdependent. It actively promotes and defends them both within the EU and when engaging with EU partner countries. The Commission pursues a zero tolerance policy for human rights violations. Moreover the Commission applies the "do no harm" principle in all its actions. This principle receives enhanced attention in such a complex situation as that of Virunga National Park.

The EU Delegation regularly engages with civil society, local authorities, state authorities, development partners, and EU Member States. If allegations of abuses are brought to its attention, either confidentially or through the media, immediate action is taken to check facts and propose appropriate measures. The Commission will ensure close follow-up with project stakeholders and authorities.

The EU Delegation ensures regular monitoring missions to the area, not only to assess project implementation, but also to learn more about the wider context, address eventual issues arising and propose mitigating measures. The dedicated Technical Assistance Facility mentioned in question 33 also supports the Commission in this task. Furthermore, specific safeguard measures are foreseen by the Virunga Foundation in its activities, such as a complaint mechanism, and specific training of park rangers on respect of human rights.

These Commission-level safeguards complement the comprehensive measures already implemented by the Virunga Foundation:

Actions of the park rangers are strictly defined within the framework of International Human Rights Law. All staff working for the Park are required to subscribe to a Code of Good Conduct, Standard Operating Procedures in line with international best practice regulating park rangers' rules of engagement.

Training is at the core of a work culture centred on human rights and accountability: substantial resources and time are dedicated to this end. Trainings focus on topics such as the legal framework, deontology, nature conservation, human rights including violence against women.

Community engagement is the ultimate safeguard, as it creates trust between the Park and the local population. Community rangers interact with communities, and the Park Direction is in constant contact with traditional and local government authorities, as well as civil society organisations. Complaint mechanisms are set up and functional, and have given rise to concrete responses, including referring cases to the judiciary.

More generally, the EU also supports the overall governance reform agenda, as well as the fight against impunity for mass atrocity crimes and human rights violations by funding three international NGOs that support the judiciary process in ensuring a fair trial for victims.

Security Sector Reform has been a priority for EU cooperation since more than a decade, supporting justice, police and defence sector programmes. Two new bilateral programmes on police and justice worth in total EUR 55 million will start implementation in 2021. These programmes will aim at reinforcing national systems to improve their performance and deliver justice and security to the population.

Questions on the World Heritage-listed Okavango Delta (in Botswana), the last refuge of the Bushmen

A Canadian oil company is expected to begin drilling in protected areas that supply water to the Okavango Delta, a unique World Heritage Site for large mammals, in December. Namibia and Botswana, which have been considered among the champions of nature conservation in Africa, have supposedly granted exploration permits to the Canadian oil and gas exploration company, ReconAfrica, covering an area of 35.000 km2 in the Okavango Delta. The EU has funded a few projects in this area, such as "Integration of freshwater biodiversity in the development process throughout Africa" in 2007[8], and most recently, in 2018, a project estimated at EUR 1.5 million to address the deteriorating wildlife crime situation in the Kavango-Zambezi (KAZA) Trans-Frontier Conservation Area (TFCA)[9].

35. While the Union is funding a wildlife conservation project in the Okavango Delta, an oil company is expected to start drilling in the same area. What is the position of the Commission on this? Is the Union opposing to this drilling in the protected area?

[8] https://www.iucn.org/theme/species/our-work/freshwater-biodiversity/our-projects/pan-africa/okavango-delta
[9] https://eeas.europa.eu/delegations/guinea/41917/eu-launches-funding-combat-illegal-wildlife-trade-kavango-zambezi-trans-frontier-conservation_en

Commission's answer:

Namibia and Botswana are stable democracies and upper-middle income countries with a positive track record towards wildlife conservation and a participative approach in the prudent management of their unique ecosystems and rich biodiversity. Around 40% of Botswana territory is under conservation or wildlife management areas. In Namibia, 43% of the territory is under conservation management.

ReconAfrica has advanced so far more in Namibia than Botswana. In 2015, ReconAfrica obtained oil and gas exploration rights in Namibia's northeast in Kavango East and West Regions from Namibia's Ministry of Mines and Energy. After obtaining an Environmental Clearance Certificate in August 2019, it is now preparing for the first exploration drill in December 2020. In Botswana, the Government has issued the exploration license in July 2020, but any type of exploration or drilling activities would require a thorough Environmental Impact Assessment, including for the transboundary effects. According to the Government of Botswana policy, it is not possible to issue mining licenses within the buffer zones of heritage sites or protected areas.

The Commission is concerned about the potential negative effect of oil exploration on the ecosystems in an around the KAZA trans-frontier Conservation Area. Natural resources and ecosystem services in both countries are crucial for water, food and energy security as well as for livelihood support- including for indigenous people (San) and nomad local communities, tourism development and poverty reduction.

The EU is following up with the Botswana and Namibia authorities, gathering and analysing information on the process. It is crucial that the environmental impact assessments are comprehensive and carried in consultation with all public stakeholders. The EU will be able to raise this subject through its contacts with the Government and will engage with the Namibian and Botswana authorities (in close cooperation with other donors and international stakeholders such as UNESCO), calling the countries to abide to their long-standing tradition of respect of high social and environmental standards and of inclusive democratic participation in decision making.

The EU is financing wildlife and water management activities in support of the Okavango region and supports community based natural management in Namibia and Botswana, engaging with local civil society organisations working on biodiversity.