

Public Consultation on the External Financing Instruments of the European Union

Fields marked with * are mandatory.

Profile

* 1 You are/represent

- Citizen/individual
- Industry, business or workers's organisations
- EU platform, network, or association
- Organisation or association
- Public authority
- Consultancy
- Research/academia
- Other

* 2 Your name and/or name of your organisation

Maeve McLynn, Climate Action Network Europe

* 3 Country of residence or location of headquarters

Brussels, Belgium

* 4 E-mail

maeve@caneurope.org

5 Identification number in the Transparency Register (if applicable)

55888811123-49

* 6 Your contribution

- can be directly published with your personal/organisation information.
- can be directly published provided that you/your organisation remain(s) anonymous.
- cannot be directly published but may be included within statistical data.

Evaluations - Looking at past experience

Development Cooperation Instrument

- 7 How well do you think the DCI has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

The DCI has made a substantial impact on addressing longer term sustainable development needs in the EU's partner countries. In terms of effectiveness and impact, the instrument seems to work well. But there is concern that coherence, complementarity and synergies can better explored and identified in regard to objectives on the environment and climate action. A key lesson learned in regard to integrating climate and environment is that more effort is needed to ensure better integration (including the complementing co-benefits) of climate change and environmental concerns in DCI projects, at both planning and implementation level.

On climate change specifically, there is definitely a need for stronger policy coherence across the EU and its external policies - the principle of policy coherence for development should incorporate climate change and sustainability. Doing so will limit the consequence of domestic policies and international agreements in other sectors (eg. Trade, finance, energy) undermining global and regional efforts to reduce greenhouse gas emissions and build resilient infrastructure. Stronger political leadership and technical understanding across EU decision-making bodies will be necessary to properly incorporate climate change and sustainable development into respective policy areas.

It is not clear through the evaluation of the DCI or through other reports whether the DCI together with other external financing instruments will adequately contribute to the EU's minimum 20% climate target commitment. While such an overview should be drawn up for all external financing, the DCI should also ensure that between 2017 and 2020, its funding goes above the 20% commitment benchmark.

8 How well do you think the DCI has addressed the objectives of development co-operation more specifically in Least Developed Countries? To what extent has the DCI had an impact on poverty reduction and sustainable development in Middle Income Countries, where pockets of poverty persist and which may play a critical role to tackle regional and global challenges?

The Agenda for Change has driven much of the priorities for the Heading 4, especially the national allocations. Moving ahead, the newly adopted policy frameworks should be the reference point for the development of the next Multi-Annual Indicative programmes: the SDGs, the Paris agreement and the upcoming European Consensus on Development. It will help better address sustainable development needs.

9 The evaluation has found that many partner countries often disagree on the place and weight to be given to human rights issues and governance, which are part of the principles that guide the external action of the EU, including the DCI. Has the DCI enabled the EU to project its principles and values (e.g. democracy, the rule of law, human rights and fundamental freedoms)?

Human rights and good governance are a prerequisite for sustainable and equitable development in all countries. The EU, through its EFIs and the DCI should continue to project these principles and values. Building on that, the DCI should seek to endorse and support democratic processes, rule of law, the right to a healthy environment, and fundamental freedoms. Agenda 2030 and the Paris Agreement have set a stronger imperative for such principles to be the bedrock of development co-operation and support where the EU can improve how it addresses multidimensional challenges for sustainable development.

10 The DCI accommodates internal EU policy concerns, such as migration and climate change, in external action. To what extent do you think the DCI has been able to adapt to shifts in policy and the external environment?

While accommodating internal EU policy concerns is a co-benefit, these domestic concerns should not be the priority goals behind external action and support in partner countries. Indeed, climate change has been recognised collectively as a major concern of the EU's partner countries. To this end, the DCI could be more effective in contributing to climate change needs, particularly in light of the Paris Agreement and Agenda 2030.

The DCI can be instrumental in the planning and implementation of policies that are designed in a way that has an added value for both developing countries and for global efforts to tackle climate change. We note the need for ongoing learning to achieve best practice in meeting development needs whilst also mitigating and adapting to climate change, but EU co-operation must champion these measures and enable innovation. For example, climate change mitigation stress tests of existing and future development projects to ensure that they meet the Paris Agreement to limit global average temperature rise to 1.5°C. Climate resilience stress tests will also be important - to safeguard sectors and communities against climate change impacts. where challenges, problems and concerns vary greatly.

11 If you have any other views on the DCI you would like to share, they are welcome here.

European Development Fund

12 How well do you think the 11th EDF has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency, EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

- 13 Has the 11th EDF, for which partner country ownership is a specific feature, reflected the views of beneficiary countries and the full range of their constituencies (including civil society organizations)? Please feel free to provide some specific examples.

Bearing in mind the scale of challenges and respective support needed to address climate change and environmental crises, the support provided to ACP countries through the 11th EDF is currently inadequate. Much of their development potential will be unequally affected by resource scarcity and extreme climate events. At present local authorities and national governments are not equipped to deal with the impacts of such events. The EDF will need enhance how it supports country-level actions, in consideration of the varying needs across these countries. The inter-related nature of sustainable development will require stronger and more fluid coordination and communication between ministries and specialists that focus in particular on cross-cutting issues such as gender equality, human rights and climate change.

- 14 Do you think the regional and intra-ACP cooperation is efficient, effective and coherent with country level actions? Please provide reasons to support your response.

- 15 If you have any other views on the EDF you would like to share, they are welcome here.

European Instrument for Democracy and Human Rights

- 16 How well do you think the EIDHR has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

- 17 Are the current scope and components of the EIDHR (Human Rights, Democracy, Electoral observation) appropriately balanced to meet the beneficiaries' needs? Please explain your view.

- 18 Are the current priorities of the instrument appropriate? In particular, do you think that those countries where democracy and human rights are most under threat are appropriately supported? Please provide reasons to support your view.

19 If you have any other views on the EIDHR you would like to share, they are welcome here.

European Neighbourhood Instrument

20 How well do you think the ENI has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

21 Is the incentive-based approach under the ENI regulation a sound framework for fostering further reforms in partner countries in the neighbourhood? Does it suit the present regional context and did it induce a measurable change in depth or rhythm of structural reforms? Please provide reasons in support of your view.

22 Does the European Neighbourhood Instrument, as it stands, in association with other EU external action financing instruments, have the capacity to contribute to the stabilisation of the region? Please provide reasons in support of your view.

23 If you have any other views on the ENI you would like to share, they are welcome here.

Greenland Decision

24 How well do you think the Greenland Decision has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

25 To what extent do the Greenland Decision and the partnership with Greenland contribute to the EU playing a more influential role in the Arctic region?

26 If you have any other views on the Greenland Decision you would like to share, they are welcome here.

Instrument contributing to Stability and Peace

27 How well do you think the IcSP has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

28 Do you think the IcSP is able in its current format to work on crisis response, address global threats to peace and to seize windows of opportunities to build peace? Please give reasons for your views.

29 To what extent have the means provided by the IcSP to-date proven effective in strengthening civil society and international organisations in their capacity to contribute to global peace and security?

30 Responding to security concerns that affect both third countries and the EU may imply working with authorities whose human rights approach can be challenged. Funding support to them, even after due precautions have been taken, implies certain risks. Can the EU still add value in such circumstances by the ICSP being more proactively engaged in sectors such as counter-terrorism, organised crime, and cybersecurity or should the IcSP rather limit its engagement? Please give reasons for your views.

31 Do you think that the focus of dialogues between the IcSP and other relevant donors has been appropriate to improve the global donor approach to stability and peace? Please give reasons for your views and/or suggestions.

32 If you have any other views on the IcSP you would like to share, they are welcome here.

Instrument for Nuclear Safety Cooperation

- 33 How well do you think the INSC has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

- 34 Do you consider that concentration on accession countries and countries in the European neighbourhood area is appropriate? Please give reasons to support your view.

- 35 If you have any other views on the INSC you would like to share, they are welcome here.

Instrument of Pre-accession Assistance

36 How well do you think the IPA II has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

We generally share the view that the IPA II priorities and selected projects are relevant. 'Fundamentals first' approach seems reasonable given the ongoing challenges in the IPA II beneficiary countries. We also agree that there is much room for improvement when it comes to effectiveness and efficiency of programming and execution of the funded projects.

We see that much more needs to be done to ensure coherence across different IPA II sectors (notably energy and environment /climate). Such coherence will also lead to better consistency, complementarity and synergies. This should also lead to better delivery on EU internal and external commitments, such as the one to have 20% of EU budget spent on climate action. In IPA II, so far, only 14% of that has been allocated towards climate action. This needs to be improved.

One of the approaches suggested in the IPA II evaluation report - that could improve both operational and strategic criteria - is the use of the Multi Annual Programming (MAP). When it comes to sectors such as energy, environment and climate change, welcome this proposal, given the complexity and impact of implemented measures. Coordination such as Western Balkans Investment Framework and CoTEs - both based at DG NEAR - should be well-resourced and assume responsibility for cross-sectoral coordination and quality assurance of MAPs, in close cooperation with EU Delegations and national governments.

37 To what extent do you think the strategic orientation of IPA II and the political dialogue between the EU and the Governments in beneficiary countries is adequately addressing the desired improvement of a truly inclusive public consultation?

When it comes to public consultations on IPA II SPDs, they do happen in some of the countries, though they tend to consult a limited number of NGOs over a short period of time. The drafts are usually not available to the wider public and commenting periods are often short (1-2 weeks maximum). Such practice of bad-quality participatory process reflects also at the national level, where consultations are conducted in a similar manner, sometimes even omitted. EU influence is instrumental if the public consultation process in the IPA II beneficiaries is to improve. DG NEAR should not accept SPDs if they have not passed a truly inclusive public consultation and if they're not of sufficient quality, in line with EU policies and objectives. For instance, first draft of the SPD for energy sector in Serbia for 2017 contained language that is not in line with EU climate policy and even went as far as to argue that development of a gas pipeline would contribute to climate change mitigation, without offering any real proof of it. This indicates complete lack of understanding of EU policies and cannot be taken as a basis for granting projects worth tens of millions of euros and having implications for decades to come. Public consultations can therefore contribute much to improving the quality of the document and reduce the pressure on already strained capacity of the European Commission.

38 To what extent do you think the strategic orientation of IPA II and the political dialogue between the EU and the Governments in beneficiary countries are adequately addressing the key issue of fight against corruption?

39 If you have any other views on the IPA II you would like to share, they are welcome here.

Partnership Instrument for cooperation with third countries

40 How well do you think the PI has addressed its objectives? The main assessment criteria for the evaluation are: relevance; effectiveness, impact and sustainability; efficiency; EU added value; coherence, consistency, complementarity and synergies; and leverage. Feel free to comment on the findings, conclusions or recommendations for any/all of the criteria.

Although the PI is smaller than other instruments, it has outstanding potential to address global challenges such as environment and climate in key countries. Along with this potential, the PI has the equal responsibility to improve its transparency and how its funding feeds into a longer term theory of change that the EU sees for its development co-operation. The PI should improve its consultation and inclusion of civil society groups as a means to address its objectives more effectively and efficiently.

41 Do you think the PI was an adequate instrument to respond to global challenges and to advance EU and mutual interests and that it enhanced the EU's ability to engage on these issues? Please give reasons to support your view.

The Partnership Instrument has shown to be a useful instrument to promote the EU's external and diplomatic priorities in third countries. Increasingly, those priorities are global and more multifaceted in nature; for example, addressing the causes of unrest and conflict as well as enhancing cooperation on climate policies. Therefore, it is important that the PI does not remain too narrow in how it defines the EU's mutual interests, ensuring that the interests of broader society, well-being and future generations are factored into the framework of the PI.

42 Do you think the PI has delivered relevant and useful results advancing co-operation and dialogue with a range of countries on issues such as climate change, the protection of the environment, energy, economic and trade relations or the promotion of the European Union's values? Please give reasons to support your views.

43 Do you think the PI has allowed the EU to engage strategically with countries that are not covered by other EU instruments and by focusing on policy issues for which no other funding sources are available? Has the PI been complementary to the other EU external financing instruments? Please give reasons to support your view.

44 If you have any other views on the PI you would like to share, they are welcome here.

Common Implementing Regulation

- 45 Your views on the findings, conclusions and recommendations of the CIR evaluation are welcome here.

Additional comments

- 46 If you have any other views common to several or all instruments you would like to share, they are welcome here.

At least 20% climate target:

There is no detailed report on EU's external assistance spending on climate available yet, however there are indications that the minimum of 20% climate target commitment will not be fulfilled for this first period under the heading 4. It is alarming that overall in the EU budget this minimum target was not reached in 2014 (13.6) and 2015 (17.3). It was only reached in 2016 (20.9%). The staff working document on MFF projects estimates around 19% climate spending in the next 3 years which is really not satisfactory since the EU needs to catch up on its delay and go beyond the 20% target. The Paris Agreement further strengthens the need for the EU to live up to its minimum of 20% climate commitment.

The EC should make sure that in the next 3 years sufficient funding well above 20% benchmark are spent under Heading 4 on climate related actions while ensuring climate mainstreaming throughout all actions supported. The EU has a clear responsibility in climate change and developing countries are the ones suffering most from it.

Mainstreaming climate and environment:

The EC should further ensure that the mainstreaming of environment is embedded in all levels of decision-making and action it supports.

Furthermore the EU should continue ensuring that its staff both at headquarters and EU delegation level are trained on environment and climate mainstreaming. The guidelines developed to this effect are very useful and the EU should make sure that all staff is familiar with those. The EU should continue using Strategic Environmental Assessment and Environmental Impact Assessments.

Looking forward to arrangements for the External Financing Instruments post 2020

The External Financing Instruments which support the EU's external actions will expire at the end of 2020. The questions below are about possible, future options for EU external financing instruments. Respondents should not feel bound by current arrangements of the instruments and are encouraged to reflect openly and creatively. Where applicable, contributors are encouraged to illustrate their answers with experiences from other organisations/donors.

Structure and content

- 47 Considering the evolving EU policy framework (such as the EU Global Strategy for the European Union's Foreign and Security Policy and the 2030 Agenda and its Sustainable Development Goals) and key global challenges (such as sustainable growth and jobs creation, migration, security, peace-building, crisis response, environment and climate change), what kind of External Financing Instruments are needed after 2020 in terms of structure and content, bearing in mind the possible future of the European Development Fund? If relevant, justify the level of financial assistance needed compared to the current instruments.

Investments made now and in the immediate future will have long-term impacts on society as a whole. Therefore, all future EU financing instruments, both internal and external, should be crafted with the backdrop of long-term zero-carbon and climate resilient development objectives.

Whereas quantitative climate action targets within financing instruments represent a step in the right direction, the Paris Agreement requires all financial flows to be made consistent with zero carbon and clean energy development. This requires the EU to not only meet its climate specific spending target, but also that the whole EU budget and financing instruments have to be 100 % climate proof.

A transparent and robust climate proofing assessment of project proposals submitted through the EFIs should be implemented, including whether the projects will adequately contribute to the long-term goals of the Paris Agreement and Agenda 2030.

- 48 Do you see room for EU external assistance initiatives beyond the scope of the existing instruments, and if so in what fields?

Complementarity, coherence and leverage

49 How can the EU increase the coherence between its external financing instruments and programmes supporting internal policies, notably those with a strong external dimension (e.g. migration, research, higher education)?

The EU should look more carefully at its impact outside Europe and how its internal policies can either positively or negatively impact the realisation of sustainable development goals in third countries. The EU should further engage its companies and its citizen to move towards sustainable consumption and production patterns which have a lower impact on natural resources abroad, for example through an EU action plan on embedded deforestation.

The EU budget should draw more links between the intra-EU activities and extra-EU ones. Programmes such as Switch Asia can for example make links between production practices in a country and consumption practices in Europe. It provides win win situations both for Europe and partner countries.

50 How to improve the complementarity between the EU's external assistance and the external assistance of its Member States, as well as the right articulation with other actors' cooperation (e.g. third countries, international organisations, private sector, development banks)?

Transparency and accountability measures are key to ensuring complementarity of action and support, while building trust between developed and developing countries. Robust transparency measures are also essential to guarantee that financial intermediaries and the private sector are adequately contributing to the long-term sustainable development goals of the EU and its partners. It is also important to track commitments to the outcomes on the ground.

Improving and strengthening a common monitoring, reporting and verifying systems among donors and recipient countries will allow evaluation of the effectiveness of finance flows in order to ensure the achievement of climate goals in accordance with sustainable development and human rights.

Transparency of EU – both European Commission and Member State – support to sustainable development and climate action in partner countries is essential to gain trust and accountability regarding the EU's collective commitments.

The EU should work collaboratively with its Member States and within the UNFCCC process to agree on a consistent and effective reporting methodology and use this in all EU and MS reporting.

51 To what extent and how best should the EU leverage additional funds (public and private) through innovative mechanisms, like blending, guarantees and trust funds?

Public finance for developing countries to adapt to climate change is only a fraction of what is needed.

It is clear that both additional public finance (budgetary commitments) are needed as well as new and innovative sources of finance. With that said, we emphasise that it is important to clear up any confusion about what is meant by “innovative” sources of finance and how they can contribute to overall sustainable development and climate finance.

Innovative sources of finance should continue to be defined as new ways and mechanisms to generate additional and complementary resources for international climate finance and sustainable development.

In recent years, many donor countries and blocs have begun referring to ‘innovative finance’ as a means to leverage finance, mostly in the forms of investments, from the private sector which are then counted and labelled as climate finance. Innovative finance should not set out to use existing and already scarce public resources to further leverage and incentivise private sector finance.

There are many sources and mechanisms that can be tapped to generate additional public funds for zero-carbon and climate resilient development. To generate additional public finance to meet the 100 billion promise and future financial commitments under the post-2020 agreement, many options exist and have been analysed in various reports and studies. These options include levies on fossil fuel extraction, revenues from a financial transaction tax, auctioning revenues from carbon market systems such as the EU emissions trading scheme, debt-for-climate swaps, emissions-related levies on international transport, etc.

Noting the growing role of private sector activity in development cooperation and climate action, it is paramount that such activity remains supplementary to public support. Governments need to establish and set down long-term climate legislation and robust policy frameworks that direct investments away from carbon intensive sectors and towards activities that are in line with transitioning to a renewable low-carbon economy. This is the single most important factor for making sure that private finance is contributing and not working against this shift.

In terms of public finance leveraging private finance, the role of public (international and national) finance is to make sure ambitious, climate-resilient development plans are financed in developing countries. The leveraged private finance should then be used to fill in the gaps of investments that are otherwise not done by the private nor public sector. The existing standards and development criteria of the EU budget should inform on the role of private sector engagement in sustainable development, particularly transparency and accountability.

Lastly, and equally importantly, CSOs assert the economic relevance to preserve natural resources, towards bringing benefits far beyond direct financial income. Public donors should increase its funding commitment to those public goods which cannot generate cash, yet which have an immense value for humanity and the very survival of human being.

52 Should the instruments be geographically or thematically structured, or is a mix of both more convenient? What delineation should there be between the corresponding instruments /programmes?

The structure of the EU external action instruments should be drastically simplified, streamlined and harmonized. There are currently too many instruments working at different levels in a silo manner. This makes the EU funds less visible and less easy to understand. It created over-complicated structures which create losses in efficiency. Fewer instruments, not mixed between geographic and thematic, with clearer objectives for each instrument and no risk of overlap would help.

Flexibility and simplification

53 To what extent should the External Financing Instruments ensure more flexibility (currently limited, for example, through long-term, ring-fenced envelopes), in order to better respond to evolving challenges – while preserving predictability and long-term engagement with partner countries (where the latter is needed)?

54 Should EU external assistance focus more on approaches based on incentives?

55 Should the design and delivery of EU external assistance be further simplified, and if so, how could this be achieved?

Additional comments

56 If you have any other views on the future instruments you would like to share, they are welcome here.

CAN Europe's position paper on the post-2020 EU budget can be found here: <http://www.caneurope.org/publications/can-europe-positions/1368-can-europe-position-on-the-eu-budget-post-2020>

Contact

europeaid-06@ec.europa.eu

