

A horizontal and a vertical approach

The EU's development funding mechanisms can have either a geographical or a thematic scope. For the years 2014–20, three geographic and three thematic instruments define where and how the money is spent.

The bulk of development funding comes from geographical instruments.

- The European Development Fund is the main instrument providing aid to African, Caribbean and Pacific (ACP) countries and overseas countries and territories.
- The Development Cooperation Instrument covers cooperation with Latin America, Asia, central Asia, the Middle East and southern Africa. It encompasses five thematic programmes addressing global challenges: environmental protection, the role of non-state actors, food security, migration, and human and social development.
- Finance for cooperation with the other neighbouring countries is provided through the European Neighbourhood Instrument.

These tools are complemented by instruments with a thematic focus, open to all developing countries.

- The European Instrument for Democracy and Human Rights aims to protect human rights and basic freedoms and to promote democracy and the rule of law.
- The instrument contributing to stability and peace strengthens security in crisis situations and supports the transition to stability in their aftermath.
- The Instrument for Nuclear Safety Cooperation promotes nuclear safety, radiation protection and emergency preparedness.

The EU's thematic programmes encourage the participation of civil society organisations and local authorities in development cooperation.

Better, faster, more: aid and development effectiveness

The European consensus on development sets out a framework of common principles which allow the EU and its member countries to implement development policies in a spirit of complementarity and efficiency.

The EU monitors the quality of aid using concrete targets agreed internationally in the Paris Declaration (2005), the Accra Agenda for Action (2008) and revised by the Busan high-level forum, which created the Partnership for Effective Development Cooperation (2011).

As a member of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD-DAC), the EU has been active in international forums to improve the impact of development cooperation. It has set ambitious targets to increase the effectiveness of global development assistance and reformed the way it delivers aid to meet those targets.

The Fourth High-Level Forum on Aid Effectiveness in 2011 in Busan, South Korea, marked a turning point for global development cooperation. Participants from over 160 governments, as well as from international organisations, civil society and the private sector, agreed on a number of principles, goals and commitments to achieve greater effectiveness in development cooperation, moving from an 'aid only' focus to a more comprehensive approach including all development actors.

The EU decided to focus its immediate collective follow-up actions on two initiatives.

- The EU Transparency Guarantee aims to provide internationally comparable information on aid which is up to date and easy to access. In order to achieve this, the European Commission and a number of EU countries are already implementing the globally agreed common standard for publication of aid information, making available detailed timely information on where and how aid is spent.

- Joint programming aims at giving a joint European response to a partner country's development plan, including through division of labour. The EU and its member countries define together which donor works in which sector, leading to more effectiveness and improved results. The EU takes on the role of coordinator and facilitator. The EU has started joint programming in more than 20 countries and is planning to implement it in about 40 partner countries, thereby covering more than 60 % of country programmable aid managed by EU institutions.

The next step in this international process is the first high-level meeting of the Global Partnership for Effective Development Cooperation in Mexico in April 2014, which will review progress on commitments and aim to address challenges and accelerate implementation.

The EU's development policy and its member countries' bilateral cooperation with developing countries reinforce each other. Many other EU policies have an impact on developing countries and are therefore coordinated with development policy.

The Commission's Directorate-General for Development and Cooperation — EuropeAid is responsible for defining the EU's development cooperation policy and for implementing aid in partner countries. To strengthen coherence between external relations and development cooperation, the European External Action Service (EEAS) strives to bring all its policies and actions in line with the development objectives.

The EU operates 140 delegations and offices around the world. They manage development and cooperation programmes while representing the EU in their host countries. Following a conflict or a natural disaster, for instance, the local EU delegation can readjust aid priorities and respond to urgent needs.

In defining policies, delivering and monitoring assistance, the EU works with international organisations whose networks and expertise complement its resources. Key bodies and groupings include the United Nations, the OECD, the World Bank, the G8 and the G20. Through regular dialogue and contacts, the EU engages other important traditional donors (e.g. United States, Japan and Korea) and, increasingly, emerging economies.