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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**2016 Annual Report on the implementation of the European Union's instruments for
financing external actions in 2015**

{SWD(2016) 456 final}

GLOBAL COMMITMENTS

In 2015, Europe was confronted with new and evolving global challenges. The European Union (EU) responded with the entire breadth of its policy portfolio and tools that span diplomatic, security, financial, trade, development and humanitarian cooperation, and aid in a comprehensive and time-sensitive approach.

Throughout the year, the EU continued to play a leading role in international efforts to deal with crises and provide support, notably in Ukraine, Syria, Iraq, and Libya. The EU also worked tirelessly with its international partners against the activities of Da'esh.

During 2015, the **EU and its Member States remained the world's largest provider of development funding**, promoting European core values of peace, security, sustainable development, poverty reduction, and human rights worldwide, and thus tackling the root causes of many crises. The European Commission alone disbursed **over EUR 10.3 billion in official development assistance (ODA)** in 2015. During the year, the 11th European Development Fund¹ (EDF), worth EUR 30.5 billion for the period 2014-2020, became fully operational.

The worldwide trend of worsening man-made and natural disasters continued in 2015. The European Commission provided **relief assistance of over EUR 1.4 billion** including food, shelter, protection, healthcare and clean water to **more than 120 million people in over 80 countries**.

Through **Policy Coherence for Development (PCD)**, the EU takes account of development objectives in all its policies that are likely to affect developing countries. In 2015, the fifth EU PCD Report² published by the Commission highlighted achievements and remaining challenges in the area of PCD at EU level and in Member States.

Working for a common future: From the MDGs to the SDGs - the 2030 Agenda

The year 2015 saw major developments in **international cooperation** on poverty reduction and sustainable development as well as disaster risk reduction. It marked the end date for the **Millennium Development Goals (MDGs)** and offered a chance for reflection on the progress made and the challenges that remain.

The EU played a leading role in a series of **landmark international agreements** that collectively re-cast the way forward for international development and cooperation for the next 15 years.

From 25 to 27 September 2015, the international community assembled at the UN in New York to adopt a bold and transformative new vision for sustainable development and poverty eradication: **'Transforming our world: the 2030 Agenda for Sustainable Development'**³ that included a set of 17 new **Sustainable Development Goals (SDGs)**.

¹ https://ec.europa.eu/europeaid/funding/about-funding-and-procedures/where-does-money-come/european-development-fund_en

² SWD(2015)159 final, 3.8.2015

³ <https://sustainabledevelopment.un.org/post2015/transformingourworld>

The UN Summit in September was the culmination of a lengthy, inclusive intergovernmental negotiation process in which the EU played a leading role. A Commission Communication on the Global Partnership⁴, and subsequent Council Conclusions⁵ demonstrated the EU's constructive engagement.

Prior to the Summit, the third **United Nations (UN) Financing for Development Conference** in Addis Ababa in July 2015 agreed a comprehensive Means of Implementation package for the 2030 Agenda. The Addis Ababa Action Agenda (AAAA) established a new sustainable development model, with good governance at its core and an emphasis on responsibilities for all, the primacy of domestic action including resource mobilisation, the importance of conducive policies, the role of the private sector and a commitment to policy coherence.

ODA will continue to play an important role and in May 2015, the EU took an ambitious collective commitment to achieve the UN ODA target of 0.7 % of the Gross National Income (GNI) within the timeframe of the 2030 Agenda. This includes a specific commitment to provide 0.15-0.20 % ODA/GNI to Least Developed Countries (LDCs) in the short-term and to reach 0.20 % within the timeframe of the 2030 Agenda⁶. However, ODA is only a small part of the development finance landscape. In line with the AAAA, the EU's actions go beyond ODA and help bring together aid, investment, trade, domestic resource mobilisation and good policies.

The **private sector** is also an essential actor for the successful **implementation of the 2030 Agenda**. The Commission has endorsed private sector involvement in development since 2014 through the implementation of the Communication 'A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries'⁷.

In 2015, the Commission promoted structured dialogue with the private sector through key events such as the Policy Forum on Development, the private sector side event during the Finance for Development Conference in Addis Ababa, and an expert group with Member States.

Disaster Risk Reduction

In March 2015 at the Third World Conference on Disaster Risk Reduction the UN Member States adopted the Sendai Framework for Disaster Risk Reduction 2015-2030 subsequently endorsed by the UN General Assembly. As the first of the post 2015 development agreements the Sendai Framework is the basis for a disaster risk informed and resilient sustainable development agenda.

⁴ http://ec.europa.eu/europeaid/communication-global-partnership-poverty-eradication-and-sustainable-development-after-2015_en

⁵ <http://www.consilium.europa.eu/en/press/press-releases/2015/05/26-fac-dev-council-conclusions-global-partnership/>

⁶ <http://data.consilium.europa.eu/doc/document/ST-9144-2015-INIT/en/pdf>

⁷ COM(2014)263 final, 13.5.2014

Revised European Neighbourhood Policy

The European Commission and the High Representative of the European Union for Foreign Affairs adopted a Joint Communication “Towards a new European Neighbourhood Policy” proposing how the EU and its neighbours can build more effective partnerships in the neighbourhood, providing a strategic framework and taking stabilisation as its main political priority.

Medium-term strategy for EU enlargement policy

The firm prospect of EU membership continues to drive transformation and anchor stability and security in the countries of Southeast Europe. On 10 November 2015, the European Commission set out **a medium-term strategy for EU enlargement policy** to cover the period of the mandate of this Commission. It provides clear guidance and sets out the framework and tools to support the countries concerned to address the core issues and requirements of the accession process.

Post-Cotonou

The EU and its Member States have longstanding relations with the **African, Caribbean and Pacific (ACP) countries**. The current agreement with our ACP partners, the **Cotonou Agreement**, runs from 2000 to 2020, involves 78 partner countries and covers political cooperation, development cooperation, and economic and trade cooperation.

In 2015, the Commission and the High Representative of the Union for Foreign Affairs and Security Policy launched a joint consultation paper⁸ on the performance of the current agreement and possible ways forward from 2020. The public consultation ended in December 2015 and the outcome will help shape the future of this important partnership.

Gender

The new **Gender Action Plan (GAP)** 'Transforming the lives of women and girls through EU external relations 2016-2020'⁹ was endorsed by the Council in October 2015. This ambitious initiative aims to secure greater leadership within the Commission and promote a strategic approach that combines more investment, better coordination and shared accountability.

EU action: Gender equality

Some EUR 6.5 billion of the EU's annual budget within the scope of this report addresses gender equality as a significant or principal objective. Across the world, the Commission supports a number of actions directly addressing issues of gender inequality including programmes to eliminate Female Genital Mutilation, to reduce Violence against Women and Girls, to improve women's access to productive resources such as land, and to reduce child marriage.

⁸ JOIN(2015)33 final, 6.10.2015

⁹ SWD(2015)182 final, 21.9.2015

Sustainable Energy and Climate Change

The UN's ambitious sustainable development agenda recognises climate change as "one of the greatest challenges of our time" and notes, "its adverse impacts undermine the ability of all countries to achieve sustainable development"¹⁰. The 2030 Agenda includes a specific SDG on urgent action to combat climate change and its impacts.

At the **Paris climate conference (COP21)** in December 2015, 195 countries adopted the first-ever universal, legally binding, global climate deal covering all countries. The Paris Agreement¹¹ sets out a global action plan to avoid dangerous climate change by limiting global warming to below 2°C. The EU was at the forefront of this international effort and was the first major economy to submit its intended contribution to the new agreement in March 2015.

The EU is committed to spending at least 20% of its 2014-2020 budget on climate change-related actions¹² and is doubling its biodiversity-related spending to developing countries.

EU action: Sustainable Energy for All

Energy is a key driver for inclusive and sustainable growth. Between 2014 and 2020 EUR 3.5 billion of EU grants will be blended with other financing sources to leverage sustainable energy investments in partner countries of up to EUR 30 billion.

Human Rights and Good Governance

In July 2015, the EU reaffirmed its political commitment to the 2012 Strategic Framework on Human Rights and Democracy¹³ and adopted a **new Action Plan on Human Rights and Democracy** for the period 2015-2019¹⁴. The Action Plan translates into concrete goals and targeted actions the broad objectives of protecting and promoting human rights, and supporting democratic processes worldwide.

GLOBAL ACTION

The strong nexus between **development and migration** was confirmed with the inclusion of migration in the 2030 Agenda for Sustainable Development. The 2030 Agenda also identifies forced displacement as a key factor that threatens to reverse recent development progress.

The **Valletta Summit** in November 2015 brought together European and African Heads of State and Government in an effort to strengthen cooperation and address the challenges and opportunities of migration and mobility in a balanced approach and in close partnership between countries of origin, transit and destination.

¹⁰ <https://sustainabledevelopment.un.org/post2015/transformingourworld>, Paragraph 14 of "Transforming Our World: The 2030 Agenda for Sustainable Development"

¹¹ Adoption of the Paris Agreement: <https://unfccc.int/resource/docs/2015/cop21/eng/109r01.pdf>

¹² COM (2011) 500 final, 29.6.2011 and Council Conclusions 37/13, 8.2.2013

¹³ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/131181.pdf

¹⁴ https://eeas.europa.eu/human_rights/docs/eu_action_plan_on_human_rights_and_democracy_en.pdf

The EU **Emergency Trust Fund** (EUR 1.8 billion) for stability and addressing root causes of irregular migration and displaced persons in Africa¹⁵ was launched at the Valletta Summit. The Trust Fund is a flexible complement to existing EU development cooperation in the region and aims to support the effective implementation of the Valletta commitments under three geographic windows (Sahel/ Lake Chad, the Horn of Africa, North Africa).

In 2015, efforts were intensified to support countries bearing the heaviest burden of the refugee crisis caused by the **continuing Syrian conflict**, in particular through increased funding to the EU Regional Trust Fund in response to the Syrian crisis and the elaboration of targeted cooperation agreements (Compacts) with Lebanon and Jordan. The fund is now one of the main EU instruments used to address the forced displacement crisis in the region.

The EU Regional Trust Fund is also open to all other international donors. An amendment to the founding decision clarified that Internal Displaced Person's in Iraq fleeing from the regional crisis are a beneficiary group of the fund and also provided more flexibility to support affected countries beyond the Syrian neighbourhood. This extension includes providing support in the Western Balkans to non-EU countries.

In addition, at the EU-Turkey Summit of 29 November 2015, the EU and Turkey adopted a joint statement including a plan for the mobilisation of substantial funding to support Turkey's extensive efforts to host Syrian refugees. In this context, the European Commission established the Facility for Refugees in Turkey to coordinate the mobilisation of EUR 3 billion both from the EU budget and contributions from Member States.

EU action: Syria

The project 'Creating a Path to Early Recovery through Education in Syria' resulted, for example, in improved access to education for two million children in approximately 3 000 schools in six Syrian governorates for the school years 2013/14 and 2014/15. Medical education and psycho-social support was provided in 180 schools; 100 schools were refurbished and 200 000 children have had access to a self-learning programme. 1 500 teachers received training for working with children with special needs.

Migration and mobility

On 13 May 2015, the European Commission adopted the **European Agenda on Migration**¹⁶, putting forward the key principles and actions in this area for 2015-2020. As one of the ten political priorities of President Juncker's Commission, this Agenda offers an ambitious and comprehensive plan to manage migration better, both now and in the longer run. Its four pillars are a strong common asylum policy, the fight against trafficking and the prevention of irregular migration, managing external borders, and a new policy on legal migration.

Migration is a vital issue in the EU's relations with its close neighbours, particularly to the East and the South, of whom many are either sources of migration or transit countries. Within these countries, significant EU aid is focused on migration management, promoting stability

¹⁵ C(2015) 7293 final, 20.10.2015

¹⁶ COM(2015) 240 final, 13.5.2015

and tackling root causes of migration through building the resilience of vulnerable populations, economic development and supporting better governance.

Migration dialogues with African partner countries were strengthened and deepened, notably through the **Rabat and Khartoum migration processes** as well as through the **Africa-EU Migration and Mobility Dialogue**.

Development, peace, and security

There can be no sustainable development without peace and security and there can be no sustainable peace without development. Tackling security and development requires the deployment of all EU instruments and is a key part of the EU's Comprehensive Approach.

During 2015, the EU worked on a Joint Communication for an EU-wide strategic framework to support security sector reform¹⁷ that provides a coherent policy for a synergetic approach to short- and mid-term activities such as Common Security and Defence Policy (CSDP) missions and long-term EU development actions in the field of security.

A Joint Communication on 'Capacity Building in Support of Security and Development' was adopted in 2015¹⁸. In the short term, concrete pilot projects are being taken forward. In the longer term, policy frameworks and funding arrangements will be developed to target all relevant actors (both civilian and military).

At the end of 2015, the EU had 18 CSDP civilian and military missions and operations in place, of which two military operations were established in 2015: EUNAVFOR MED SOPHIA helps disrupt the business model of human smuggling and trafficking networks in the Southern Central Mediterranean, whereas EUMAM CAR is focusing on military advice and assistance to the Central African Republic authorities.

In 2015, the EU continued to invest and develop capacities in conflict prevention and early warning systems, which is significantly more cost-effective than post-crisis interventions.

EYD2015

Under the motto "*Our world, our dignity, our future*" the European Year for Development 2015 (EYD2015) was a timely and successful campaign. It was the first ever European Year devoted to an external relations theme and it arrived at a time of important global decisions.

EYD2015 enabled European citizens to understand better how the EU's assistance is transforming lives and communities around the world. In total 3 828 EYD2015 events took place across the EU involving over 1.9 million participants.

ACCOUNTABILITY & RESULTS

Every Euro spent in support of our partner countries must deliver the best possible impact. On 26 March 2015¹⁹, the European Commission's services published the **EU International Cooperation and Development Results Framework** that strengthens the Commission's ability to monitor and report concrete results of EU funded actions in the field. It is part of the

¹⁷ JOIN(2016) 31 final, 5.7.2016

¹⁸ JOIN(2015) 17 final, 28.4.2015 <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:52015JC0017>

¹⁹ SWD(2015) 80 final, Launching the EU International Cooperation and Development Results Framework

overall Commission's policy to enhance the results focus of EU action. The Commission services published the first report on the basis of the results framework²⁰ in 2016. The Staff Working Document attached to this Communication represents the second report. From now on, the Commission will report annually on the results of EU funded actions in cooperation and development policy areas and placing them in relation to overall development results.

EU action: Key Results in 2015

Highlights of results achieved by projects and programmes that ended between mid-2014 and mid-2015 include:

Good Governance: Four free and fair elections were supported

Conflict Prevention, Peace Building and Security: 404 000 people benefited from programmes to support civilian post-conflict peace building and/or conflict prevention

Sustainable Agriculture, Food Security and Nutrition: 5 025 000 women and children under 5 benefited from nutrition-related programmes, helping to reduce child mortality

Energy: 2 600 km of electricity transmission/distribution lines were built or upgraded

Education: 10 635 000 children were enrolled in primary education, 7 603 000 children in secondary education, and 175 000 teachers were trained.

Health: 8 104 000 births were attended by skilled health personnel, helping to reduce maternal mortality

Natural Resources, Environment and Climate Change: 3 951 000 hectares of protected areas were managed to ensure biological diversity and to preserve natural heritage

Transport: 8 905 000 people were provided with access to all-season roads

Employment and Social Protection: 195 000 people benefited from Vocational and Educational Training or skills development programmes, intended to improve employment, productivity, and competitiveness

Trade and Private Sector Development: 10 000 firms gained access to credit to boost investment and avoid risk

GLOBAL ACHIEVEMENTS

Scaling up the Africa-EU Partnership

In addition to work within the **Cotonou Agreement**, progress was made on Africa-EU relations in the context of the Joint Africa-EU Strategy during a significant **Africa-EU meeting in Brussels on 22 April 2015** that brought together the Colleges of the African Union Commission and the European Commission. This seventh College-to-College meeting discussed a range of topics including peace and security; democracy, good governance and human rights; human development; sustainable and inclusive development; growth and continental integration; and global and emerging issues.

²⁰ SWD (2016) 255, EU International Cooperation and Development First Report on Selected Results

The year 2015 was also significant in terms of cooperation activities on the ground with the African Union Commission with increased financial support channelled through the African Peace Facility (APF) and the Pan-African Programme.

Peace and Security is a major challenge for development and cooperation in Africa. In this context, the Commission has worked hard to foster a political solution in **Burundi** and consultation procedures under Article 96 of the EU-ACP Partnership Agreement have been launched.

The 11th African Union – EU **Human Rights Dialogue** took place on 24 November 2015 in Kigali, Rwanda. Both sides reaffirmed their commitment to the promotion and protection of human rights and to collaboration on the effective implementation of continental and international human rights instruments.

Ebola

The EU response to the **Ebola epidemic** continued throughout 2015. Additional budget support was provided to **Liberia** (EUR 31 million) and **Sierra-Leone** (EUR 43 million) to cushion the economic impact of the epidemic and provide the countries with funds to stabilise state finances. A number of strategic projects under the programme linking humanitarian assistance with development were launched, including strengthening health systems and resilience of livelihoods in **Guinea** and access to water in schools in **Liberia**. The first recovery programmes were also launched in **Guinea** (health) and in **Liberia** (education and energy).

At a global level, the European Commission services and the European External Action Service organised the **international Ebola high-level conference** on 3 March 2015. The conference helped maintain momentum and focus on the continued fight against the disease. By the end of the year, the three affected countries were all on the path to being declared Ebola-free.

The Directorate-General for Research and Innovation and the Innovative Medicines Initiative invested approximately EUR 240 million through urgent calls for projects to tackle Ebola virus²¹. All the projects started between end of 2014 and early 2015.

Supporting Somalia

A joint **EU-UNHCR pledging conference on Somalia** took place in Brussels on 21 October 2015. Somalia has one of the largest displaced communities worldwide with 1.1 million internally displaced people and almost one million refugees from the Horn of Africa. The conference mobilised international support to improve the lives of Somali refugees and displaced people with EUR 94 million pledged on the day, of which the EU will contribute EUR 60 million on two targeted actions.

EU action: Somalia refugees

A EUR 50 million programme initiated in 2015 will **help manage voluntary returns** to Somalia from Kenya, Yemen and Europe and improve the legal framework for internally

²¹ <http://ec.europa.eu/research/health/index.cfm?pg=area&areaname=ebola>

displaced persons, refugees and returnees, increase access to basic services, and create realistic livelihood opportunities.

In parallel, the EU will finance a EUR 10 million programme for northern Kenya to provide relief and better life opportunities to **refugees unable to return** and their host communities.

Hope for the Central African Republic

On 26 May 2015, an **International Conference on the Central African Republic** saw the European Union increase assistance by EUR 72 million and new commitments worth EUR 29 million being pledged to the **EU Bêkou Trust Fund**²² from a number of countries.

The first ever EU Trust Fund, the Bêkou Fund, has demonstrated its speed and efficiency with six new projects showing how the EU can mobilise its energy and instruments swiftly.

EU action: Bêkou's health project

The Bêkou health project aims to ensure access to basic health services to one million people in a nation where most of the health structures and services have been disrupted. During 2015 the project has ensured access to basic health services and reached 450 000 direct beneficiaries.

The Sahel

During 2015, the EU released EUR 216 million in funding to counter the food and nutrition crisis in the **nine Sahel countries**. Recurrent food crises in the Sahel have severely eroded the resilience of the poorest that are sometimes forced to move to seek better livelihoods.

The **Emergency Trust Fund for Africa**, set up following the Valletta Summit in 2015, will support some of the most fragile and vulnerable countries across Africa including the Sahel and Lake Chad region.

Western Balkans and Turkey

The European Commission adopted its medium-term enlargement strategy on 10 November 2015²³. The Commission reaffirmed the strong focus on the principle of "fundamentals first" in the accession process within which the rule of law, fundamental rights, strengthening democratic institutions, including public administration reform, as well as economic development and competitiveness are core issues. The Commission continues to focus its efforts on ensuring that the enlargement countries prioritise reforms in these key areas.

Western Balkans: Connectivity agenda

In the Western Balkans, connectivity is at the heart of the Commission's efforts to promote integration among the individual countries and with the EU. The EU has set aside up to EUR one billion for connectivity investment projects and technical assistance for the period 2014-2020. In 2015 the EU provided EUR 200 million in co-financing for ten priority projects valued at EUR 600 million including an intermodal terminal, two bridges and three railway

²² In Sango, the language spoken by most people in the Central African Republic, *Bêkou* means hope.

²³ COM(2015) 611 final, 10.11.2015

projects as well as power interconnectors and reinforcement to the region's electricity transmission system.

European Neighbourhood

The Joint Communication '**Towards a new European Neighbourhood Policy**' was adopted on 18 November 2015²⁴. This followed a Joint Consultation Paper²⁵ issued on 4 March 2015 and a subsequent public consultation which received over 250 contributions.

Priorities of mutual interest for the EU and its partners include: good governance, democracy, rule of law and human rights; economic development for stabilisation; connectivity, energy and climate change; security; and migration and mobility.

Ukraine: Strengthening the rule of law

Ukraine made significant progress in the area of justice and anti-corruption in 2015 through the adoption of new legislation including the law "On ensuring the right to a fair trial" and the law "On Public Prosecution". Assisted by the EU, the implementation of the Justice Sector Reform Strategy 2015-2020 started and the National Anti-Corruption Bureau was established with 70 detectives hired in open competitions.

Asia, Central Asia & the Pacific

Nepal was struck by a devastating magnitude **7.8 earthquake** on 25 April 2015 and a further major earthquake in May. The European Union responded immediately to the disaster with EUR six million for emergency response work. This was followed quickly by EUR 16.6 million in budget support to enable the Government of Nepal to carry out further emergency response and rebuilding works.

EU Action: Nepal Recovery and Reconstruction

In response to the devastating earthquakes, the EU established the **Nepal-EU Action for Recovery and Reconstruction** (NEARR) programme at the International Conference on Nepal's Reconstruction held in June 2015. The funding for this programme includes EUR 100 million budget support and EUR 5 million for complementary measures. The NEARR programme was prepared in record time and supports the Government of Nepal in its rehabilitation and reconstruction process: the 'New Nepal Building Campaign'.

In 2015, EU-funded interventions in **Afghanistan** covered emergency medical care, food and drinking water, protection, shelter, sanitation, hygiene promotion, and livelihood support to people affected by conflict and natural disasters in general and to displaced people in particular. In addition on 26 October a magnitude 7.5, earthquake hit the capital of Badakhshan province, in north-eastern Afghanistan, affecting 12 provinces across the country. In 2015, total EU humanitarian aid to the country amounted to EUR 40 million including an additional EUR 12 million allocated in December to meet growing humanitarian needs. This support came amid a drastic intensification of the conflict in the country.

EU action: Food security in Afghanistan

²⁴ JOIN(2015) 50 final, 18.11.2015

²⁵ JOIN(2015) 6 final, 4.3.2015

During 2014 and 2015, the EU has helped to teach 540 women how to cultivate vegetables and legumes to decrease malnutrition and boost consumption of diverse and healthy foods. Around 900 families were supported in Bamiyan and Ghor provinces providing new skills that extend far beyond the life of the project.

Latin America & the Caribbean

On 10-11 June 2015 the second Summit between the EU and the **Community of Latin American and Caribbean States** took place in Brussels under the general theme 'Shaping our common future: working for prosperous, cohesive and sustainable societies for our citizens'. At the summit the EUR 346 million EU-Caribbean Regional Indicative Programme for 2014-2020 was signed. The bi-regional Action Plan was updated and two new chapters added on Higher Education and Citizen Security.

In parallel to the Summit, the **EU-CELAC Business Summit**, with the theme 'Europe, Latin America and the Caribbean: Promoting inclusive and sustainable growth by enhancing the role of Small and Medium Sized Enterprises' took place. The EU is the primary foreign investor in the CELAC region and its second trade partner.

Science, research, innovation and technology is the first point of the EU-CELAC Action Plan²⁶, produced after the related 2015 Summit. The dialogue on science, research, technology and innovation, through the "EULAC Joint Initiative for Research and Innovation" established in March 2011, will consolidate EU-CELAC cooperation.

²⁶ http://ec.europa.eu/research/iscp/pdf/policy/eu-celac_action_plan_2015.pdf