



The EU's support to sustainable graduation for the LDCs

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EU Development Cooperation under the European Consensus on Development

- EU and its Member States world's leading aid donor (€75.5 billion ODA in 2016, 0.51% of EU GNI)
- Aligns EU development cooperation policy with the 2030 Agenda
- Eradicating poverty, tackling discrimination and inequalities and leaving no-one behind at its core
- Targeted where **the need is the greatest** and where it can have **most impact**, especially in **LDCs** and **in situations of fragility and conflict**
- Increasingly **diversified and tailored partnerships**: country- or region specific, based on partners' own needs, strategies, priorities and resources

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- **A focus on LDCs** remains the cornerstone of the EU's trade and development policy
- EU undertakes to meet collectively the target of **0.15 – 0.20% of ODA/GNI** to LDCs in the short term, and **0.20% of ODA/GNI** to LDCs within 2030
Agenda timeframe
- EU ODA to LDCs €15.8 billion in 2015, 0.11% of GNI
- **Duty-free, quota-free access to the EU market** for all products originating from LDCs
except arms and ammunition (Everything But Arms)

EU & Graduation from LDCs status

- EU committed to supporting LDCs in the objective enabling at least half of the LDCs to meet the criteria for graduation by 2020
- Taking the issue of **smooth transition** seriously - illustrated by the fact that EU trade preferences to LDCs under the EBA are **extended for 3 years after graduation** from LDC status (After that, country may benefit from Standard GSP or GSP+ depending on the fulfilment of the applicable criteria)
- Attention to specific challenges of those graduating from low-income to middle-income status (European Consensus on Development)

EU Development Cooperation - current practice 2014-2020

- EU development architecture encompasses cooperation with developing countries at different stages of development
- A **differentiated** approach to partnerships and aid allocation driven by country context. Based on country needs, capacities, commitments, performance and potential EU impact
- Differentiation through eligibility to different instruments (geographic and/or thematic)
 - EDF & DCI eligibility not based on LDC category
 - EDF (ACP countries): no graduation

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- Grant-based aid might not feature in bilateral or regional cooperation with more advanced developing countries already on sustained growth paths and/ or able to generate enough own resources (Agenda for Change 2011)
- However, countries graduating from LDC status are unlikely to be in this position immediately after graduation.

EU support to graduation for LDCs

- EU and its Member States are world's largest provider of **Aid for Trade (AfT)**, with the aim of helping LDCs to export more.
- Joint EU strategy on AfT (2007) – currently being updated
- Trade facilitation is one of the EU's aid programming priorities
- EU contributes to the **Enhanced Integrated Framework (EIF) for LDCs**

EU General Scheme of Preferences = 3 trade preference programs in one

GSP

- Duty reductions for around **66% of all EU tariff lines**
- To **countries** of low-income or lower-middle income without an FTA
- There are currently **23** Standard GSP beneficiaries

GSP+

- **Full duty suspension** for essentially the same 66% tariff lines
- To **economically vulnerable** Standard GSP countries
- Countries must commit to ratify and effectively implement **27 core international conventions**
- There are currently **9 GSP+** beneficiaries

EBA

- **ZERO duties except arms & ammunition**
- For **LDCs**

What is the EBA?

- EBA = Everything But Arms
- **Duty-free, quota-free access for all products except arms and ammunition**
- A country is granted EBA status if the UN Committee for Development Policy has listed it as a LDC
- **No application** required (EU adds or removes them from the relevant list through a delegated regulation)
- A primary factor in making the EU **the most open big market** in the world to developing countries

More information on GSP

- Two upcoming **public reports**:
 - January 2018: biennial GSP report
 - March 2018: mid-term evaluation of GSPSee all news of the independent study under elaboration here: <http://www.gspevaluation.com/>
- **Website**:
 - <http://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/>
- **Practical information to exporters**:
 - <http://trade.ec.europa.eu/tradehelp/>