



EU NEWS

ISSUE 2

March 2009

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EU DEVELOPMENT POLICY

Impact of the financial crisis on developing countries

On 8 April, the European Commission will publish proposals on the EU response to the impact of the financial crisis in developing countries, as part of its "package" of communications for the 18-19 May GAERC Council of Development Ministers— also to cover the annual progress report on the EU's financing for development commitments; aid effectiveness and the costs of lack of coordination; and aid for trade. The Commission is currently considering a range of measures, including frontloading aid, focusing aid on infrastructure together with the European Investment Bank, working to get trade finance flowing again, and reviewing global governance and institutions. **Other official financing including export credits and spending on security and migration is also being put forward as part of the EU's contribution; however NGOs underline such spending must demonstrate a clear development impact in order to be considered, rather than being mainly in the EU's interest; and should not detract attention from EU governments' responsibility to meet their aid commitments.** Two countries have already backtracked on these commitments— Italy has cut its aid budget by 50%, and Ireland by 10%, with further threats coming from Latvia (-100%) and possibly the Netherlands. In this environment, CONCORD's Aid Watchers will be keeping a close eye on governments, with their annual report, campaign and media events planned for May.

A CONCORD delegation including CIDSE met with the EU Council's Development Cooperation working party on 16 March, and underlined the need to address both the causes and the

consequences of the crisis. Actions should include **generating additional predictable resources** including through debt cancellation and taxation of speculative financial transactions; **stopping illicit financial flows and capital flight from the South to Europe** by shutting down tax havens and stopping tax evasion; and **reforming global economic governance** so that the policies of institutions such as the International Monetary Fund serve, and not undermine, the pursuit of global equity and justice (through the ending of harmful economic policy conditionality), and are accountable to those whom their policies affect (through reform to give developing countries their rightful place in their leadership and oversight). For NGOs, this is the **real meaning of policy coherence for development**, the EU Treaty's commitment to ensure that other EU policies do not undermine its development objectives.

Recognition of the structural and systemic causes underlying the crisis, together with public outrage over lack of regulation and the greed of private sector actors, mean **there is a real window of opportunity to effect necessary, but politically difficult, changes**. This opportunity must be seized. Recognizing that the policy measures and changes needed go beyond the remit of Development Ministries, NGOs have also addressed their messages to Finance Ministries and Heads of State, in advance of the 9-10 March Economic & Financial Affairs Council and 19-20 March Heads of State summit. They are also raising awareness and building public support for the needed changes; for example CIDSE's French member [CCFD-Terre Solidaire's current campaign on tax havens](#). **However, with the 2 April G20 summit on the financial crisis fast approaching, the EU has failed to take a comprehensive approach to resolving the crisis that includes the development dimension**. Its position for the summit includes only very general references to aid, other official financing, and the role of development banks, including on trade finance. Ahead of the summit, **CIDSE held a [press briefing](#)** on 11 March in Brussels to denounce the fact that EU measures to address both the financial and climate crises lack attention to development issues and do not meet fundamental principles of justice. The G20 agenda should include the impact of the crisis on developing countries, and link into global UN discussions on the crisis, including the summit planned for June.

See also: **CIDSE policy paper on the financial crisis**, *on its website in the coming days* and [CONCORD briefing](#) on the impact of the crisis.

MDGs in crisis

At the March Development Policy Forum organised by Friends of Europe, representatives of EU and international organisations, donors and NGOs debated whether the MDGs can be met, considering the framework of today's multi-dimensional crises (food and fuel prices, climate, financial and economic) and global aid architecture. The UN representative estimated that the effect of the financial crisis represents a loss of 6-7 years for the achievement of the MDGs, making their realisation even more difficult and expensive. It was noted that since the financial crisis hit and drove the world into recession, many governments have shown much less commitment to the MDGs. Some participants argued that this commitment and the necessary resources to achieve the MDGs were lacking for a long time. At best, the current meltdown presents opportunities for much-needed reform.

In terms of solutions, participants put forward establishing more democratic decision-making processes at global level and reforming the Bretton Woods Institutions, emphasising conflict prevention, facilitating remittance flows and protecting migrant workers, supporting both the agricultural and manufacturing sectors in developing countries, and avoiding trade protectionism. The importance of enhancing the EU-Africa dialogue and enhance the role of Southern countries in the fight against poverty was also pointed out. Regarding aid, some participants recalled that most of the EU Member States still do not fulfil their 0.7% ODA commitment. Aid needs to be made more responsible, and there is a need to redesign aid architecture, to better coordinate aid, as well as to have aid more focused on specific topics, such as climate change.

See [Development Policy Forum report](#).

EU response to situations of fragility: preparation of an Implementation Plan

On 25 October 2007 the European Commission issued a [Communication "Towards an EU response to situations of fragility"](#) with the aim of providing a basis for an EU response strategy to be developed together with the Council and EU Member States. On 20 November 2007 Council of the

European Union approved "[Conclusions on an EU response to situations of fragility](#)". There EU endorses the OECD Principles for [Good International Engagement in Fragile States and Situations](#); calls for the EU approach to fragile states to be "more responsive, quicker and more flexible" as well as "tailor-made, articulated and holistic, combining diplomatic action, humanitarian aid, development cooperation and security". The Conclusions further calls for establishment of ad hoc "Country and Thematic Teams" (CTTs), involving Commission, Member States and General Secretariat of the Council, with the Commission acting as facilitator.

The Commission and CTT's were tasked to start working on "Pilot Countries", and the results of this exercise should feed into a comprehensive "**(Fragile Situations) Implementation Plan**" to be finalized by the end of 2009. **The six pilot countries are Burundi, Sierra Leone, Guinea Bissau, Haiti, Timor Leste and Yemen.**

Other processes contributing to the preparation of the Implementation Plan are thematic discussion on "**Budget Support in situations of fragility**", findings of a "**Mapping of instruments and actors**" as well as results achieved in the use of **flexibility in the EC aid procedures** in situations of crisis. On this last point, the EC intends to introduce flexible aid procedures for fragile situations (comparable to those implemented in situations of crisis) in the Cotonou agreement that will be reviewed next year.

The comprehensive mapping (desk) study is now published, one of its conclusions is that: *'The truth is, (Northern) donor instruments are first launched, and then remain in use, on the basis of a specific Parliamentary mandate, or donor administrative traditions, or efforts at reforms driven by donor domestic constituencies. **The reflex of the majority of the actors, both EU and non-EU, is to start by looking at what is in their own toolbox ('what can we do?') rather than what is exactly the problem.***

The study highlight a series of **gaps in addressing fragile situations**: a financial gap, a strategic gap, a capacity gap and an institutional gap. It also identifies an indicators gap and recommends that *EC and EU instruments would need to work more closely with NGOs worldwide in order to collect and monitor less state-centric, top-down indicators.*

On the basis of that broad gap analysis, the study makes a series of recommendations on EC aid instruments (including calling for an evaluation of the crisis response aspect of the Stability Instrument) and on EC aid modalities including budget support. Several recommendations relate to cooperation with civil society and NGOs.

All these are summarised in the executive summary of the study.

According to DG Development, elements for the Implementation Plan should be ready by June 2009 and **the Plan finalized by October 2009.**

The Council conclusions of 2007 call for **civil society participation in the preparations of the Implementation Plan**. However, in reality this effort remains vague. Whereas the EC is organizing events to have dialogue with the NGOs at the European level (including a recent workshop on budget support), the **involvement of the local CSOs in the six pilot countries ranges from non-existent to poor**. If the EU fails to properly inform and consult the local civil society in the pilot countries, how can one expect that their recommendations and concerns will be reflected in the Implementation Plan?

The APRODEV task force on security and development is working on a briefing paper to inform and engage partners on the issue.

[The mapping study and further information are available on request from k.sohet@aprodev.net](mailto:k.sohet@aprodev.net)

EU Aid instruments and Cotonou partnership agreement to be reviewed in coming year.

The years 2009 and 2010 will be used by the EU institutions to undertake the review of all aid instruments and their programming. The review will take place at 3 levels:

1. **finance** with the mid-term review of the Community multiannual financial framework 2007-2013 also known as the 'Financial Perspectives';
2. **policy/legislation** with the second review of the Cotonou Partnership Agreement (CPA) and the mid-term review of the legal basis of the instruments established in 2007 under the multiannual financial framework (e.g. the development cooperation instrument);

3. **Strategy** with the review of the multi-annual strategies of the geographic and thematic programmes governed by the instruments and the review of the country strategy papers.

It is at that third level, also referred to as the programming of aid, that changes having a direct impact on aid delivery and participation of civil society will probably occur.

Review of the Cotonou Agreement

Every five years the Cotonou Partnership Agreement (CPA) is reviewed but this process that has far-reaching consequences on the quality of the cooperation between the EU and the ACP states and on the utilisation of the most important cooperation budget of the EC, the European Development Fund (EDF), happens behind closed door at Council level.

Both parties have to prepare their negotiating mandate for the review of the agreement by the end of April 2009 and the renewed agreement is to be signed by June 2010.

So far, **the debate within the EU institutions seems to ignore a number of essential issues** such as climate change, right to food and agriculture policies, disaster risk reduction, management of natural resources and access to raw material, tax evasion and the financial crisis, which presently strongly determine the context in which ACP countries evolve and on which coordinated policies and actions at international level are so important. On the contrary, EU actors concentrate on security, migration and trade issues.

In particular, the EU has the objective with the CPA review to **reinforce the role of the African Union** as a political actor in the CPA and to use the EDF as a funding instrument for pan-African programmes and projects (including aid to non ACP countries) while upgrading the political role of and dialogue with regional (Africa, Caribbean and Pacific) and sub-regional economic integration groupings.

In that view, **the political dimension of the CPA has to be aligned as far as possible with the priorities of the Africa-EU strategy** resulting in a long list of issues and commitments in the areas of security, stability and migration control. Such an approach also legitimises the use of EDF resources for non ODA eligible expenditures in the areas of border control or security, best illustrated by the African Peace Facility financed since 2003 with EDF resources.

Another declared objective of the EU is to **replace existing provisions on trade by references to the Economic Partnership Agreements** that have been signed so far or are expected to be signed. However, in 2009, the majority of the ACP countries have not yet initialled nor signed an interim or comprehensive EPA. And it may well be that individual or regional groupings of ACP countries decide not to initiate or sign up to an EPA in the nearby future. Trade relations with these ACP countries remain thus fully subject to the existing CPA provisions.

The suppression of the existing articles on trade would mean that fundamental principles that affirm special and differential treatment for ACP countries, that provide legal basis for CSO involvement in economic and trade policy making or that affirm that EPAs shall built on existing regional initiatives would disappear.

For these reasons we think that **the revision process on economic and trade cooperation should follow its own and lower pace** and not be tackled in this general review. Such a separate process for trade provisions is in fact foreseen in the CPA.

Note also that the 10th EDF has been adopted for the period 2008-2013 so that there will be no decision on the 11th EDF at this stage.

Mid-term Review of the Financial perspectives

The review of the instruments and multi-annual strategies depending on the EU Budget and governed by the legal bases adopted in 2006 has to be finalised by the end of 2010. The Commission would like to prepare communications with proposals for the review of the legal bases by the end of April so that the European Parliament and College of Commissioners who were in place when these were adopted see them. It is quite obvious however that final decisions on the review will be taken by the next Parliament and for this reason the Commission would like to limit the scope of the exercise. One issue to be tackled by the revision is the financing of non-ODA measures in middle income developing countries that are not eligible under the DCI instrument. It seems that the idea is to include these measures in the instrument for cooperation with industrialised countries, which would prevent re-opening the debate on the DCI.

To avoid the hiatus at institutional level in the future, the Chair of the Budget Committee of the Parliament, Reimer Böge, is contemplating the option of extending the present financial perspectives until 2015 to make sure that the financial framework is aligned with the institutions mandates.

Review of Country Strategy papers

First country strategy papers to be revised are those depending on the EU budget and instruments (Development Cooperation instrument DCI and European Neighbourhood and Partnership instrument, ENPI).

Decision on reviewed CSP for Asia and Latin America countries is expected in spring 2010. At an information meeting organised in February, the Commission strongly encouraged European NGOs to inform their partners about the review and push them to take part in the process at country level by sending suggestions on priority areas where EC support is needed or by taking part in consultation meetings that will be organised on the spot. Consultations should be organised in coming weeks and EC delegations in the countries are best placed to provide information on the process and its timing.

A general email address has been created to receive comments and questions about the MTR: RELEX_MTR_CONSULTATIONS@ec.europa.eu .

The review of the CSPs for ACP countries depending on the EDF (that is out of the annual EU budget) will not start before the summer. Guidelines for the review are under preparation. Note that the ACP CSPs only became effective in July 2008 due to delays in the ratification of the 10th EDF and in the programming process (the signature of a few CSPs is still pending).

The European Parliament has the right to comment on draft CSPs falling under the DCI (not the EDF) and will be associated with the MTR process. This should provide an opportunity for civil society to get involved based on their working relationships with MEPs. However, given the EP calendar and the forthcoming elections, there is little chance that the EP will be able to follow this up closely and play an active role at an early stage.

A CONCORD Cotonou working group paper presenting NGO concerns on the review of the CPA is available on request from k.sohet@aprodev.net

More on CSPs: [ACP countries](#) and [Asia and Latin America countries](#)

EU SECTORAL POLICIES

Climate Change: Council conclusions on post 2012 Climate Change agreement

Following the European Commission's 28 January communication on the EU position for international climate negotiations, EU Environment Ministers and Finance Ministers have now adopted their conclusions. Together with the conclusions of the 19-20 March Spring Council, these will form the position the EU will bring to the international negotiations in Bonn at the end of March.

Regrettably, the Environment and Finance Ministers' conclusions have failed to adequately strengthen the Commission's proposals. In their conclusions Ministers reiterate the EU's unilateral commitment to reduce its emissions by 20% by 2020, and to raise this to 30% in the event of a global deal involving comparative efforts by other Annex I countries as well as advanced developing countries. **These targets are simply not strong enough to ensure the avoidance of a further rise of 2°C and the onset of dangerous climate change.** Climate variability caused by current levels of global warming is already having devastating impacts on the lives and livelihoods of people living in developing countries – with those living in poverty being worst affected.

In the international negotiations, small island developing states whose populations and sovereignty are threatened are calling for lowering the target threshold to 1.5°C. The Commission's communication explicitly recognises emerging scientific research which indicates that GHG levels will have to be stabilised at levels lower than previously recommended, and the Ministers note in their conclusions that targets should be based on the best available scientific evidence including the 2007 Intergovernmental Panel on Climate Change expert assessment report *as well as* more recent research. To state this and yet fail to increase reduction targets is unacceptable, in particular in view of vulnerable developing nations calling for greater ambition in order to protect their very survival. **CIDSE, Aprodev, and Caritas are asking the EU to commit to reductions of at least 40% by 2020 compared to 1990 levels** and the top end of 80-95% by 2050 and to reach out to all developed

countries to adopt commensurate targets in order to limit a further rise in global surface temperatures to as far below 2°C as possible. The vast majority of these must be achieved through domestic reductions if the targets are to achieve real global reductions and avoid leaving an unfair burden on developing countries to reduce emissions.

The other count on which the EU's position is failing people in developing countries is its current position on financing. In spite of the fact that there are now only eight months left until the deadline for agreement, the EU is choosing to keep quiet on the levels of finance it is ready to provide to developing countries to help them tackle climate change, as it considers this its most important bargaining chip in the negotiations. However, there is significant mistrust amongst developing countries regarding the commitment of developed countries to tackle climate change. This is as a result of lax progress in meeting existing mitigation commitments and failure to deliver on previous financing pledged to developing countries to help them adapt to and tackle climate change. If developing countries are to be expected to discuss mitigation targets – even for the most advanced among them – they will need to be 100% confident that developed countries are now ready to take both their mitigation and financial support responsibilities seriously. **Without a concrete gesture from developed countries, developing countries are highly unlikely to be willing to engage in negotiating commitments.** Furthermore, with-holding clear commitment to provide financial support to vulnerable countries already struggling to adapt to the devastating impacts of climate change – an additional burden placed on them by the EU's and other developed countries historical actions – is **morally unacceptable.** The EU must give a clear indication without further delay of the levels of financing it is ready to provide for climate action.

Also, of crucial concern is the **lack of clear commitment thus far from the EU that financing for tackling climate change will be in addition to or independent from existing development aid commitments.** The attitude appears to be that as long as money is provided it should not matter where it comes from. However, development aid commitments, including the 0.7% GDP target in particular, were made before the impacts of climate were known. Climate change is placing additional constraints on countries struggling to improve the basic living conditions of their populations. It is clear that achieving low carbon development, and livelihoods that are adapted to a changing climate, will mean that development and climate action must go hand in hand, but by proposing the diversion of ODA funds already committed to support improvements in sectors such as health and education, the EU is essentially short changing developing countries and stepping back on its commitment to the achievement of the MDGs. The EU must commit to ensuring that climate financing will be new and additional money, and will not result in the diversion of existing and committed ODA flows. The most effective way to do this will be to **establish mechanisms that will generate secure, sufficient, additional and predictable financing that is independent from national budgets.**

Ahead of the Spring Council of EU heads of state and government, CIDSE, Aprodev, and Caritas sent a joint letter with the above demands to the Czech Presidency / Prime Minister Mirek Topolánek, European Commission President José Manuel Barroso and Environment Commissioner Stavros Dimas, and the European Parliament President Hans-Gert Pöttering. CIDSE also held a [press briefing](#) in Brussels on 11 March.

[For more information, consult the 3 organisations' websites.](#)

Migration Policy: Impact of the economic crisis on migrants

As the global economic crisis unfolds, UNDP foresees a two-way increase in the movement of people: overseas migrants returning home after losing their jobs, or those recently laid off at home moving overseas in search of work.

While some migrant workers may choose to return home, some host countries, which have benefited from migration in times of flourishing economy, are now developing protectionist policies aiming at encouraging return to send migrant workers home. This is the case in Italy and the UK which announced a reduction in the number of migrants to be admitted for employment. In Spain, the government has introduced financial incentives to encourage unemployed migrants to return home. In the Czech Republic, the government offers migrant workers who lost their jobs €500 and an air ticket; and Ivan Langer, the Czech Minister of Interior and Chair of the EU Home Affairs Council,

explains that this will reduce security risks fuelled by the growing unemployment among migrant workers.

These increasingly protectionist stances rapidly narrow down options for formal migration. Migrant workers may face increasingly difficult conditions, with fewer employment opportunities and may encounter greater discrimination and stigmatization – like the appalling (but so sadly frequent) association between insecurity and migration voiced by the Czech Interior Minister.

The International Organisation for Migration (IOM) warns that the financial and economic crisis with its consequences of protectionism and returns of migrant workers may lead to more undocumented migrants in hosting countries, unsafe migration, increase in human being trafficking, and economic and social instability in countries of origin.

The economic and financial crisis, combined with possible large migrants' returns home, may also imply a decrease in the capital flows sent by migrants, i.e. remittances. These voluntary transfers of private money sent by migrants back to their country of origin benefit an estimated 10% world's population. In some countries, the volume of remittances surpasses the volume of official aid. Remittances help lessening the burden of poverty on millions of families in the world. According to the World Bank, remittances could fall by 0.9 to 6% in 2009. Migrants may also be more reluctant to send money through formal channels due to a lack of confidence in the stability of banking systems. This is adding to the problem of disproportionate money transfer fees, which already cause a significant loss of remittances.

A decrease in remittances flows may have dramatic negative impacts, exacerbate development gaps and aggravate instability in countries in conflict or fragile states (which in turn may well increase the flow of migration to other countries).

Caritas has been advocating for increased respect of migrants' rights and dignity. We also called for formal transfer channels to be made more accessible and affordable, in order to optimize the impact of remittances. Coherent and right-based measures must be designed to tackle the current economic crisis, taking into consideration its impact on migration and on migrants in both countries of origin and hosting countries.

See IOM policy brief on the [impact of financial crisis on migration](#), Jan.2009.

See World Bank Migration and Development Brief #8 on [Outlook for Remittance Flows 2008-2010](#): Growth expected to moderate significantly, but flows to remain resilient, Nov. 2008

See [Pär Stenbäck's](#) article on [Protecting the world's poor from the ravages of recession](#) in Europe's world.

EY 2010: a Year for Combating Poverty and Social Exclusion in Europe....and beyond?

The EU declared 2010 the European Year for Combating Poverty and Social Exclusion (see [EU News 7](#) – Oct. 2008). Each Member State must also adopt a National Programme for implementing the European Year, in consultation with a broad range of stakeholders, including civil society organisations. At EU level, two committees were set up: a Committee made up of Member States' representatives to assist the European Commission in implementing the activities planned for 2010; an **"EU Expert Stakeholders Group"** – including Caritas Europa –to ensure participation and dialogue, exchange information and give input to the Commission on the design, implementation, follow-up and assessment of the European Year.

The Council and Parliament decision regarding EY2010 formally states that *"the fight against poverty and social exclusion is to be pursued both within the European Union and externally, in accordance with the UN Millennium Development Goals"*. In addition to EU Member States, participation is also open to the EFTA States, candidate countries, countries from the Western Balkans, and countries covered by the European Neighbourhood Policy. Stakeholders from all poverty-related policy areas are invited to engage in the implementation of the European Year. Notwithstanding this displayed intentions, the EU is mainly planning **2010 activities as if poverty and social exclusion were "domestic" issues for its Member States**. The contribution of NGOs engaged in development and conflict-resolution would not only be perfectly compatible with the framework of the EY2010, but would constitute a necessary complement to bringing public attention on the more than ever appalling situation of poverty outside Europe.

Caritas Europa and its Member Organisations have taken part in the EY2010 process since the very beginning. Planned activities include the production of a Poverty Report, and a series of events at European and national levels.

EU HUMANITARIAN AID POLICY

EC adopts its strategy to reduce the risks of natural disasters in developing countries

The European Commission adopted a package of two Communications for Strategies focusing on disasters in Europe and in developing countries, as a first attempt to establish a more strategic approach. This common approach seeks to integrate disaster prevention into other EU policies, including development policies and climate change related policies, and to focus on areas where a common EU intervention is more effective than separate national ones.

However, while the Strategy for Europe prepared by DG Environment focuses on preventing and reducing the impact of both natural and man-made disasters, the Strategy towards developing countries, prepared by DG Development, covers natural disasters only, in countries considered to be high-risk. This means disasters induced by the action of the man, including violent conflicts, are not addressed by the EC Strategy in developing countries. This is a gap that had been highlighted by some humanitarian NGOs, including Caritas Europa (see [EU News 5/July 2008](#)).

The EC DRR strategy for developing countries includes the following action priorities:

- strengthening of political dialogue with developing countries – since the EU currently “lacks a common voice”;
- integration of disaster risk reduction into both EU and developing countries' policy and action, including EU support for national risk reduction investments;
- development of regional plans, starting with one for the Caribbean.

The financial support will come from existing funding instruments; no new specific financial instrument was created. This approach is illustrated by the recent decision to allocate a substantial part of the [intra-ACP envelope of the 10th EDF](#) to the prevention of natural disasters.

ECHO will organise an information meeting on 26 March and DG Development will hold a stakeholders' meeting in April to discuss the strategy implementation. An implementation plan will be prepared for June 2009.

See the full text of the [Communication on an EU Strategy on supporting disaster risk reduction in developing countries](#)

EU RELATIONS WITH THIRD COUNTRIES

EC signed its first 'MDG contract' with Zambia

The European Commission has committed €225 million to the Government of Zambia for a 6 year period (2009-2014) to support the country's efforts to improve the efficiency of its poverty-focused public programmes and to accelerate progress towards achieving the MDGs.

The [MDG Contract](#) is part of the EU's response to fulfilling its political commitment to improving the effectiveness and predictability of aid and accelerating progress towards the MDGs. It will be more predictable due to a commitment horizon of six years that is twice as long as the common budget support agreements. It will provide a minimum, virtually guaranteed level of support each year as well as reliable yearly disbursements following a pre-defined timeline. Up to 30% of the total commitment is a variable component used as an incentive measured against MDG-related results, most notably health and education, as well as improvements in public finance management and macroeconomic stability.

Note that according to the [Zambia CSP](#), separate financial support worth €59 million for the sector of health and €117 million for the sector of transport will also be provided to the Government of Zambia.

The 3 main objectives of the general budget support provided through the MDG contract will be:

- 1) Contribute to macro-economic stability to sustain broad-based economic growth
- 2) Enhance service delivery both for social sectors (e.g. health and education) and private agents (e.g. creation of a friendly business environment)
- 3) Continued strengthening of Public Finance Management systems

Budget support is also allocated to Zambia by, in order of importance, the UK, Sweden, the Netherlands, Norway, Germany and Finland but the EC is the biggest contributor.

Zambia will be the first out of seven African countries to benefit from an MDG Contract. Financing agreements with six other African countries (Mali, Mozambique, Uganda, Burkina Faso, Ghana and Rwanda) will be signed in the very near future. Collectively they account for a total of €1.5 billion that corresponds to 42% of all general budget support commitments foreseen in the 10th EDF (equivalent to 3.57 billion or 32% of total national programmes; general and sectoral budget support together represent 47%).

EU aid to Gaza compromised by Israeli blockade and Palestinian internal conflict

In view of the donors' conference held in Sharm El Sheik, APRODEV participated in a round of meetings with EC and member States' officials along with Crisis Action, CIDSE and Oxfam.

The non-governmental organization's called for:

- Aid not to be used as a political weapon and for the closure of the Gaza Strip to be lifted.
- Aid distribution to take place according to independently-established humanitarian criteria, i.e. in accordance with the principle of humanitarian neutrality.

On the EU side, our interlocutors told us that they would come to Sharm El Sheik with three messages:

- Unhindered access to humanitarian aid
- Immediate and unconditional opening of the crossings
- Sustained opening of the crossing under the Agreement on Movement and Access.

Benita Ferrero-Waldner announced that the EU will disburse 436m Euros. But there are still uncertainties as to how these funds will be channeled and how the aid package will be distributed. The ongoing Israeli blockade and the absence of Palestinian reconciliation represent the primary obstacles.

- On the blockade.

The Israeli government responded to a letter from the Troika asking for the opening of the crossings that any easing of the blockade would be conditional on the release of the captured Israeli soldier, Gilat Shalit. EU Member States and EC officials in particular were not satisfied with this answer.

However, EU Member States are not ready to use any leverage against Israel. The upgrade process is still in a state of *de facto* suspension but there is no explicit agreement over whether this should be continued. A consensus exists that this is not the right time to take further initiatives and no further steps will be taken in this direction. At the same time, none of the member States is ready to explicitly and officially suspend the upgrading process.

- On Palestinian reconciliation.

While some member States wish to avoid repeating the mistakes of 2006, others want to stick to the Quartet principles. As a result, it is unclear as to exactly what sort of Palestinian government the EU would support. "A government that would be acceptable to president Abbas", one said. Some suggested they would be ready to recognize a platform of technocrats that would deal with administrative matters.

One participant admitted the inconsistency of the European position vis-à-vis the PA's lack of authority in Gaza: "We ask for the crossings to be opened on the basis of the Agreement of Movement and Access (AMA) but the AMA implies that the Palestinian Authority has *de facto* control over Gaza". We raised the fact that the same inconsistency applied when the EU declared that it was offering the PEGASE mechanism to all donors in order to channel their assistance to Gaza. The unanimous response was hostility to the creation of a new *ad hoc* mechanism and skepticism that a proposed neutral UN mechanism would be accepted by all the parties. Only the Commission official said that the use of PEGASE as a mechanism to channel aid to Gaza should be conditioned on Palestinian reconciliation.

Finally, all participants reiterated that they were very concerned with maintaining territorial unity between the West Bank and Gaza. None of the people met seemed currently to be considering demanding compensation for destroyed projects.

For more information, please contact a.bertrand@aprodev.net

The CIDSE Working Group on Palestine/Israel has issued a Policy Note entitled: [The EU's aid to the occupied Palestinian territory: one year after the Paris Donor's Conference](#) calling on the EU to draw conclusions from the experience of the past year and to urgently revise its policy towards the region.

EU FUNDING FOR DEVELOPMENT

NSA & LA thematic programme: questions on the annual action plan 2009

Commission has proposed to merge the annual budgets 2008 and 2009 for the thematic programme for cooperation with non state actors and local authorities with the objective of being able to finance more good quality proposals than it was the case with the first calls for proposals in 2007.

In these conditions, the annual action plan for 2009 proposed by EuropeAid is very similar to the 2008 one. In the case of projects to be selected through calls for proposals, the only differences concern the list of priority countries for in-country projects with a few of them being added to the 2008 list, Burundi, Namibia, Lesotho, Jordan while some others got no additional allocation.

The discussion and disagreements at institutions level on the AAP 2009 concerns the targeted actions to be financed outside calls for proposals.

The decision on these targeted actions seems indeed quite arbitrary. In the AAP 2009 there is no reference to the DEEEP and Trialog projects - undertaken by EU NGOs under the umbrella of CONCORD - that have been financed through targeted actions for years and are recognised by beneficiaries and external evaluations as effective and successful. The Commission considers that in the future these kinds of programmes have to be selected through calls for proposals.

At the same time they decided in the AAP 2008 to finance through a co-management agreement the North-South Center (that is not a non-state actor) to implement similar types of activities (in the area of awareness raising and directed at new member states) and they intend in the 2009 action plan to finance a new targeted action by a Foundation regrouping a number of European business schools in view of supporting the transition of the Cuban economy to an open liberalised market economy through the training of managers of the private sector in cooperation with Cuban high schools and universities. This last action is in line with an [agreement between Commissioner Michel and Cuban authorities](#) to re-launch cooperation. **It however raises two questions:** why should such a programme be financed through a targeted action while other activities have to compete through calls for proposals and why should it be financed with the non-state actors budget line that is foremost directed at poverty reduction and the MDGs focusing on **primary** education rather than high schools and private sector managers.

Shouldn't the limited financial resources allocated to that thematic programme concentrate on its core objectives? According to the programme's strategy, *the overarching objective is poverty reduction in the context of sustainable development, including pursuit of the Millennium Development goals (MDG) and other internationally agreed goals and promote an inclusive and empowered society in partner countries to facilitate non state actor and local authority participation in poverty reduction and sustainable development strategies.*

Final decision on the Annual Action Plan was due on 4th of March but has been postponed on the request of the Member States Committee.

For more information, please contact k.sohet@aprodev.net

Implementation of the Food Facility: what contribution of civil society?

In December 2008, the European Parliament and the Council adopted a Regulation establishing a facility for rapid response to soaring food prices in developing countries, the so-called Food Facility. An amount of 1 billion Euros has been earmarked for that regulation to be implemented by the end of 2010 with the majority of commitments to be made in 2009.

An overall plan for implementation, including a list of target countries and the allocation of resources between eligible actors, has to be presented by the Commission and be endorsed by the appropriate Member States Committee and European Parliament before 1 May 2009.

The measures to be supported should encourage a positive supply response from the agricultural sector in developing countries in the coming seasons, respond to immediate needs of the countries and their populations and mitigate the negative effects arising from the volatility of food prices in line with the global food security objective. They should also help by strengthening the productive capacities and governance of the agricultural sectors to enhance the sustainability of interventions and preventing as far as possible further food insecurity situations.

A first package of funding decisions has been approved in February 2009 for urgent activities for an amount of approximately 320 million Euros.

The rest of the budget will be spent in cooperation with the UN organisations and the World Bank and through a call for proposals targeting other eligible actors including civil society actors and development agencies of the Member States. In certain countries, civil society actors will also have the possibility to access funds that will be channelled by the UN agencies.

The exact amount allocated to the call for proposals is not adopted yet; the figure of 200 million Euros has been mentioned at several occasions. The EC proposed to limit the geographic scope of the call for proposals to a list of 35 priority countries while the whole facility will be implemented in a total of 50 countries. The number of targeted countries is however still under discussion. A final decision should be taken by the Member State Committee on 23 March and the first phase of the call for proposals will be launched before the summer.

CONCORD FDR is in close contact with Europeaid to discuss the conditions applicable to the call for proposals.

For more information, please contact k.sohet@aprodev.net

NEWS FROM THE NETWORKS

NEWS FROM APRODEV

Concerned by low voter involvement in past European elections, the **Brussels-based ecumenical organisations** APRODEV, the Church and Society Commission of the Conference of European Churches (CEC), the Churches' Commission for Migrants in Europe (CCME), and Eurodiaconia have launched their **own information campaign for the 4-7 June 2009 elections** to the European Parliament. This information campaign includes a leaflet, dedicated elections website and election-related activities throughout Europe. More at: www.ecumenicalvoices2009.eu

APRODEV, One World Action and the Commonwealth Secretariat are organising a roundtable on 24 March entitled: **EPAs: Trade efficiency or development for all? Gender analysis of trade liberalisation and its impact**. It will be the occasion to present and debate key findings from research on gender and women's rights analysis of EPAs and implementation of trade liberalisation in Mozambique, Jamaica and Tanzania by OWA and the Commonwealth Secretariat.

Agenda and concept note available on request from K.ulmer@aprodev.net

NEWS FROM CIDSE

In March, CIDSE published its quarterly [Advocacy Newsletter Nr. 41](#) with an editorial describing CIDSE's activities in 2009. Throughout the year CIDSE will go through a strategic planning process, evaluating and redefining its priorities, objectives and operational strategies to enable the network to further improve its performance in the fight for global justice. The newsletter also carries articles on the financial crisis and global governance reform, financing for development, and taxation; the food crisis, CIDSE's climate campaign, and CSO development effectiveness.

NEWS FROM CARITAS EUROPA

Caritas Europa has published its [work plan for 2009](#) that was developed in a profound commitment to fight poverty and social exclusion and to promote human development, social justice and sustainable social systems in Europe and throughout the world. The work plan notably includes a number of network events in 2009.

Caritas Czech Republic sums up 4 years of engagement with communities in the Indonesian region of **Aceh** to help them achieving a sustainable livelihood production, after suffering a 30-year-long armed conflict and a devastating Tsunami in 2004. In a [series of articles](#), Caritas Czech Republic narrates the everyday struggle of a population that strives to reach a better future.

In the context of the 20th Anniversary of the Convention on the Rights of the Child, **Caritas Internationalis** launched "[HAART for Children](#): Greater Access to Pediatric HIV and TB testing and treatment", a campaign urging governments and pharmaceutical companies to live up to the Convention by develop medicine that will treat HIV and TB in children and save lives.

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APRODEV is the association of the 17 major development and humanitarian aid organisations in Europe, which work closely together with the World Council of Churches. APRODEV agencies engage in many kinds of activities related to development cooperation: relief, rehabilitation and development activities, capacity building, research, awareness raising and campaigning, education and advocacy. <http://www.aprodev.net/main> - 28 Boulevard Charlemagne, B-1000 Brussels, Belgium – Tel : +32 2 234 56 60

CIDSE is an international alliance of Catholic development agencies in Europe and North America. Its members share a common strategy in their efforts to eradicate poverty and establish global justice. CIDSE's advocacy work covers global governance, resources for development, climate change, trade & food security, EU development policy and business & human rights. <http://www.cidse.org> - 16 rue Stévin, B-1000 Brussels, Belgium – Tel: +32 2 230 77 22

Caritas Europa, one of the 7 regions of Caritas Internationalis, is the European network of 48 Caritas member organisations, working in 44 European countries. Caritas Europa focuses its activities on policy issues related to poverty and social inequality, migration and asylum within all countries of Europe, and issues of emergency humanitarian assistance, international development and peace throughout the world. With regard to all these issues, the organisation develops policies for political advocacy and lobbying at European level and at national level. <http://www.caritas-europa.org> - 4 Rue De Pascale, B-1040 Brussels, Belgium – Tel: +32 2 280 02 80