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CONTENT:

EU DEVELOPMENT POLICY

- EU prepares its position for September UN Millennium +5 Summit – CIDSE shadow report on EU progress on MDG 8 – GCAP campaign actions at EU level
- Future Development Cooperation instrument: institutional deal or political vision?
- New HIV-AIDS action plan

EU SECTORAL POLICIES

- ACP-EU Trade: Highlights and hot lights from ACP-EU Joint Parliamentary Assembly in Bamako

EU HUMANITARIAN AID POLICY

- Aid to Chechnya and Palestinians
- EC reinforces its disaster response mechanisms

EU RELATIONS WITH THIRD COUNTRIES

- European Neighbourhood and Partnership Instrument: Voicing our concerns
- Commissioner for External Relations wants to increase aid to Pakistan
- EU police and security missions to support transition in DRC

EU FUNDING OPPORTUNITIES

- Review of the EC Financial Regulation: an independent report points to the lack of efficiency and effectiveness of the present system
- What thematic approach in future development cooperation framework: rationalization of thematic budget lines – EP report on access to aid
- Recent calls for proposals

NEWS FROM THE NETWORKS

News from APRODEV: Annual Meeting – security and development / Press release on sugar / CAid Anniversary / new colleague

News from CIDSE: recent publications / innovative sources of finance for development / indicators of debt sustainability / new colleague

Caritas Europa: European rapid response capability and voluntary humanitarian aid corp / recent publications / new confederation president

EU DEVELOPMENT POLICY

EU prepares its position for September UN Millennium +5 Summit – CIDSE shadow report on EU progress on MDG 8 – GCAP campaign actions at EU level

On 12 April the European Commission released a package of communications containing proposals for the EU's position in the review of progress on the Millennium Development Goals to occur during the September UN summit. The three proposals presented by the Commission concern (1) the volume and effectiveness of aid; (2) the coherence of the Union's development policies; and (3) the priority to be given to Africa.

On **financing for development**, the Commission proposes **two targets to be reached by 2010: individual ODA targets** for each Member State, with **old Member States** increasing their ODA to **0.51% GNI**, and new Member States reaching 0.17% GNI; which would lead to a **collective average target for the Union of 0.56% ODA/GNI**. These targets are aimed at allowing the EU to reach 0.7% GNI of ODA by 2015; civil society organisations are calling for shorter and binding timetables to reach 0.7%. On **debt**, the Commission makes only limited proposals on supporting alternative options for post-conflict countries excluded from HIPC, and exploring the possibility of using a temporary relief facility, among other instruments, for debt servicing that would mitigate external shocks. NGOs would like to see a commitment to excluding debt relief from the ODA definition as well as to an approach to debt sustainability based on human development needs. On **innovative additional sources of finance**, the Commission limits its proposals to accelerating work on most promising and feasible options (following on from the Commission's Staff Working Paper of 5 April 2005 reviewing the options in this area). However, it is also giving the message to Member States that a package on innovative sources of finance should be adopted before the September summit.

On **aid effectiveness**, the Commission's proposals include: **reducing transaction and administrative costs and avoiding duplication of funding** through better complementarity of aid between EU Member States and with Community aid, through progress in delivery in the field in the context of the EU's commitments at the Paris High Level Forum on Aid Effectiveness of the OECD in March 2005, and the November 2004 recommendations of the Ad-Hoc Working Party on Harmonisation (See *EU News* 1 and 3 of 2005); more rapid **untying of aid**; and improved effectiveness of **trade-related assistance**. The Commission suggests more globally to **update and reinforce the Barcelona commitments** related to the 2002 Monterrey Consensus. In the area of global governance, the Commission suggests developing a joint EU position on **enhancing the voice of developing and transition countries in international economic decision-making**, though it is generally acknowledged that Member States are not likely to easily come to a joint position on this.

On **policy coherence for Development**, the Commission has identified a number of **priority areas** including trade, environment, agriculture where the challenge of attaining synergies with development policy objectives is considered particularly relevant. For each of these priority areas the Commission has defined general orientations, or '**coherence for development commitments**' that it considers relevant contributions to accelerating progress. The Commission invites the Council, the European Parliament and the European Social and Economic Committee to confirm its acceptance of these commitments, as a **joint engagement** of the EU and its Member States. Though the substance of the commitments does not appear to be particularly ambitious (in the area of **trade**, the communication does not go beyond the current EU positioning on the Doha Development Agenda within the World Trade Organisation), according to the Commission it is a major step forward: bringing together the commitments in a written engagement should make coherence a more concrete obligation for other EU policies. A clearly positive element is the Commission's proposal to draw up a **coherence report** halfway between the September 2005 summit and the next international assessment of the MDGs.

With regards to a focus on Africa, the Commission wants the Union to make a difference in areas where it has a comparative advantage or where it can fill existing gaps and catalyse the actions of other partners. The Communication proposes to assign Africa a political priority and to accelerate the EU's actions in a limited number of areas: the **volume of resources** should be increased, a "sufficient" share of the rise in official development assistance should go to Africa; all proposals on policy coherence and on quality of aid should be applied in Africa as a priority. The Commission proposes commitments for action in a number of areas identified by Africans as crucial to their development, including improving Africa's governance, interconnecting Africa's networks and trade, and striving towards equitable societies, access to services and environmental sustainability.

The **European Parliament** also adopted a **resolution** on 12 April on the role of the European Union in the achievement of the Millennium Development Goals. The text is globally progressive and closer to demands being expressed by civil society. **Interesting points** include support for regular assessments of progress towards ODA targets to be made at the Economic and Financial Affairs Council as well as the General Affairs and External Relations Council; a call for targets for debt relief to be linked to MDG-based needs; an emphasis on the importance of capacity building for trade and the need for additional resources from the EU to enhance the ACP countries' ability to identify needs and strategies and negotiation capacity; a call for a full impact assessment of current trade liberalisation policies on hunger and poverty in developing countries; a call for a timetable for the elimination of agricultural export subsidies; and a call for urgent WTO reform to put sustainability and poverty eradication at the top of the trade negotiation agenda.

CIDSE, in collaboration with other civil society actors, has published a **shadow report on EU progress on its commitment to meet Millennium Development Goal number 8** -- securing a global partnership for development. Going beyond official European reports, the CIDSE report, entitled "**Europe: A True Global Partner for Development?**" (available at www.cidse.org) is based on views from 27 countries, drawing on a range of sources, and sets out what CIDSE understands as the critical steps that need to be taken in order to fulfill EU commitments on MDG 8, in the areas of reporting and participation, finance and the reform of aid, trade and coherence, and global governance. The report cites examples of **best practice**, demonstrating that change is within the grasp of all EU countries. The publication was launched on 27 April at a roundtable debate in the European Parliament co-organised with Caritas Europa and sponsored by Glenys Kinnock, MEP and rapporteur of the Parliament's resolution on the MDGs, which included speakers from the European Commission, the Luxembourg Presidency and the Dutch government.

The shadow report can serve as a **resource** for civil society organisations campaigning for policy change to reach the MDGs, accompanying **advocacy actions towards ministers and other decision makers as concrete evidence** that while poverty reduction is becoming a more mainstream political issue and in some European countries a welcome political leadership is being shown, the urgency of the challenge of halving global poverty is so far not reflected in the actions being taken and discussed. In addition to sections on aid, debt, policy coherence and trade also covered in the official European reports, the shadow report contains analysis and recommendations on a **participatory and regular approach to reporting on the MDGs, and on the need for reform of the international finance and trade institutions** whose structures maintain poverty and injustice and marginalise the rights of the poorest.

CONCORD's recent General Assembly approved a **statement** on European responsibilities on the Millennium Development Goals, to be sent to European ministers ahead of the General Affairs and External Relations Council on 23-24 May which will discuss the **EU position** at the UN September summit, **to be confirmed by the 16-17 June European Council**.

European members of the **Global Call to Action against Poverty** have met together to discuss future **actions at EU level**. On 24 May in Brussels, a ceremonial signing of a large white band by Development Ministers of nine EU Member states will take place to symbolise the need for renewed European commitment to the UN target of 0.7% of national wealth for development aid. Other potential future actions include a letter to European Finance

Ministers ahead of the 7 June Economic and Financial Affairs Council, and the wrapping of the European Parliament in a white band.

The Commission's three communications and supporting documents are available in EN, FR, and DE at http://europa.eu.int/comm/development/body/communications/communications_en.htm.

The Commission staff working document annexed to the second communication (n° 133) on EU follow-up to the Barcelona commitments contains individual country responses extremely useful for advocacy by civil society organisations. For other documents, contact auclair@cidse.org.

Future Development Cooperation instrument: institutional deal or political vision?

The Temporary Committee on the Financial Perspectives of the European Parliament closed its work by adopting the report drafted by Reimer Böge (EPP, G) on 10 May.

The final outcome of the committee's work and debates is quite disappointing with regard to Development Policy. The main reason is the recent **shift in the position of the European Parliament regarding the Development Cooperation & Economic Cooperation instrument** and the fact that the first and foremost objective of the Parliament in the debate on External Relations was to strengthen its role and influence by extending the co-decision procedure to all policies and programmes where the Nice Treaty would allow.

The Temporary Committee does not ask anymore for the split of Development Cooperation and Economic Cooperation into two separate funding instruments and legal bases because this would mean losing co-decision power on economic cooperation and the Parliament would also risk losing the opportunity to amend the DC&EC regulation(s) in first reading for procedural reasons linked to the legislative process.

In that context, the rapporteur of the Development Committee (Gay Mitchell, EPP-ED, Ire) and the chair of the External Relations Committee (Elmar Brok, EPP, G) agreed on a new approach that they defend in a letter addressed to Commissioner Ferrero-Waldner for External Relations and to the Chair of the Council (Luxembourg) in the framework of the so-called triilogue or conciliation process.

The letter in six points focuses mainly on **safeguarding the prerogative of the Parliament in co-decision and in setting priorities and strategy documents** and asks for a modified EC&DC instrument that makes *a clear distinction between policy towards developing countries and policy towards industrialized countries, including separate overall objectives for each group of countries*. Instead of asking for two separate instruments and two distinct ring-fenced budget, the two signatories propose that *this may take the form of two separate and distinct chapters within a single instrument*.

Another surprising outcome of the EP's work is its **opposition to EDF budgetisation** in the case the overall budget of the EU is lower than 1,09 % of the GNI which will certainly be the case considering the present debate in the Council. This position was taken despite the fact that the Parliament has supported EDF budgetisation in the last twenty years and because the MEPs fear that *EDF budgetisation would jeopardize other EU external policies* in a context of scarce resources. CONCORD task force position on that issue was to condition EDF budgetisation to the increase of the total EC budget by the equivalent of 0.031% of the GNI corresponding to the EDF budget and to the existence of a separate instrument for development cooperation including a ring-fenced EDF budget. At this stage of the process none of these conditions has been secured.

The temporary Committee also took the decision to put the **Emergency Aid reserve outside the Financial Perspectives ceiling** and up to a maximum of EUR 1.5 billion.

The funds of the (*virtual*) reserve should be called from Members States when deemed necessary by the Council and the Parliament, reducing to an absolute minimum the burden for taxpayers. In case of humanitarian aid in emergency situations there is a high risk that such procedure will be much slower and complex than the present process to activate the emergency reserve included in the external relations heading.

Finally, the Committee considers that it is necessary to increase the budget for external relations for the purpose of supporting the new neighbourhood policy and pre-accession and to respond to crisis situations. **The only mention of Development Cooperation** in the whole report is: *...draws attention, in particular, to the fact that the resources available to fund EU*

relations with the developing countries must be considered as a minimum with a view to honouring the European commitment to help those countries achieve the Millennium Development Goals by 2015;

The report is particularly disappointing for the CONCORD task force on the Financial perspectives (including Aprovev and CIDSE secretariats) that put a lot of efforts in monitoring and commenting the work of the temporary committee in the view of making it more development oriented.

The Temporary Committee report is posted at:

http://www.europarl.eu.int/comparl/tempcom/finp/default_en.htm

For further information and papers on the work of CONCORD task force, please contact k.sohet@aprodev.net

New HIV-AIDS action plan

The European Commission adopted on 27 April a Programme for Action to strengthen Europe's support to confront HIV/AIDS, Malaria and Tuberculosis outside the EU's borders, which it placed in the context of its promises to do better, do more and quicker in delivering on the Millennium Development Goals (MDG). The Commission proposes a series of concrete and cheap but effective activities such as the distribution of free bed-nets and contraceptives, as well as free access to voluntary counselling and testing for HIV/AIDS. Together with global partners such as the World Health Organization (WHO), the action programme intends to strengthen regional networks to promote affordable and safe pharmaceutical products, to strengthen the regulatory capacity in partner countries and to support further research. At country level, the Programme for Action proposes to launch a political dialogue on issues of stigmata, discrimination and human rights and addresses the particular concerns of vulnerable groups, such as orphans and children. It furthermore emphasises capacity building in human resources and promotes clinical research and strengthening pharmaceutical and procurement policy. The Communication equally suggests synergies with related programmes on e.g. sexual and reproductive health and on human security issues such as safe schools.

Some of the actions proposed in the programme will require new resources. The Communication consequently suggests the Union, in the framework of the budgetary discussions 2007-2013, to agree on a considerable contribution to help filling the financing gap on these three killer diseases, evaluated by the UN at US\$14.9 billion/year by 2007. The new Programme for Action responds to Council conclusions on harmonisation of activities in this matter between the Community and Member States and to a request by the Council to translate a policy framework of November 2004 on confronting HIV/AIDS, Malaria and Tuberculosis (COM 2004/726) into action. The Programme for Action will be discussed by General Affairs and External Relations Council at the end of May.

Source: Commission press release

Action plan available on request from k.sohet@aprodev.net

EU SECTORAL POLICIES

ACP-EU Trade: Highlights and hot lights from the Joint parliamentary Assembly in Bamako

Will EPAs finish off small farmers?

Aprovev/Christian Aid and ACDIC organised a well attended **lunch briefing for parliamentarians on EPAs and rural economy** at the EU-ACP Joint Parliamentary Assembly (JPA) in Bamako on 19 April, supported by the NSA Forum in Mali. Contributions were made by SEATINI "Will EPAs finish off small farmers?", ACDIC on "Importation of food: a drainage of food sovereignty" and ROPPA on "No to EPAs". NGOs called for support programmes to prevent the slow or programmed death of small scale and family farming. *"We need debt cancellation, not EPAs. Poor farmers have never been protected nor supported*

and Mali has the lowest tariffs following calls to cut tariffs by international financing institutions. Our cotton production is not competitive, our sorghum is replaced by wheat and our chicken by imported frozen chicken parts. So, what else can we do? We and our politicians, together, we need to elaborate public agriculture policies, we need to pass laws and support rural livelihoods. If there is no support, then we will migrate to your cities and come to your places.”

“I’m confident that EPAs are the right solution that benefits the ACP countries and I am acting in good faith and with good intentions”

Addressing the JPA, **Commissioner Mandelson responded to questions raised:**

Probably the “guess” is right that the final overall package across the board will contain EBA to all, but it is not time for public declarations at this stage. He affirmed that EPA framework would provide safeguard measures and financial resources for implementing EPAs. Singapore Instruments are not for re-entry in Doha context; yet Mandelson insisted on their importance and stated that clarifying the rules and transparency in government procurement is *not* in the Cotonou Agreement but is in the EC mandate. The Commissioner seems to confirm that if it is the region that determines the pace, then this will need to be in compliance with WTO rules, which means no reciprocity demand. **The Commission is prepared for very progressive and very flexible view on reciprocity** and is currently tabling a WTO submission on the GATT article 24. The sugar reform and the review of the sugar protocol will form an integral part of EPAs and sugar will not be a single product, but be looked at from a regional approach.

Mandelson stated that there will be no negative impact or consequence of EPAs, otherwise this would mean that we have failed, and “*I don’t contemplate failure, but success*”. Yet, he recognised the volatility of investment which is here today and gone tomorrow followed by the risk of exploitation or shabby employments - why environmental and social standards are needed. He called for liberating ACP from state intervention, using the EPAs to leverage and provide investment to ACP countries rather than relying on state enterprise and tariff revenues. Family friendly enterprises and communal and traditional production in ACP are withering and declining in any case and it will be EPAs, as **sophisticated and ambitious vehicles, that will bring prosperity and growth, a 21st century growth!**

Yet, being confident and acting in good faith and with good intentions is not what it needs. As a MEP put it, **EPAs are a new and untested approach!** We all would want it to work, but we know that we have littered developing countries with failed interventions and models by the EU! We need some kind of arbitration, and this could be done by means of development benchmarks in the review mechanism.

Other parliamentary questions remain yet to be answered: Will the Commission resist of the inclusion in the negotiation mandate of any demands in sectoral offensive interests? Will the EU make an upfront/forefront offer of duty and quota free market access to all EPA regions? Will there be time to discuss the substance that is the actual shape of the agreements, knowing that substance *is* considerably different from principles.

Other issues highlighted: Regional integration and liberalisation will not be cost free and it is crucial to be able to judge if potential gains will compensate for loss. How will the democratic deficit in ACP countries be redressed - and is it legitimate to lock in policies for the next 50 years without public debate? **What does South-South trade promotion mean:** to trade commodities which we don’t consume such as coffee or diamonds among ourselves? Should we really take the risk of signing to an agreement which we are not able to fulfil, and of which most of our people do not know that it exists! We need a parliamentary EPA monitoring committee similar to the set up in the East African Community.

The ECOSOC representative recalled that the EU has unique experience in building regional markets, and that 20 years would not be unrealistic to build consensus among different countries with different economic interest. Current debates on the European constitutions and liberalisation of services only proof how controversial and complex this process is. Implicitly this could mean de-linking the building of regional markets from liberalisation commitments.

ACP: sovereign states setting their own agenda or sick patients?

ACP negotiators from the Caribbean, Pacific and ECOWAS provided regional updates. **Potential important or existing divergences between ACP and the EU** relate for example to the percentage of product coverage and the right of each region to self determination. This view does not confirm the EC interpretation of *total convergence* between the EU and the ACP.

ACP negotiators and parliamentarians confirmed that asking for alternatives to EPAs is not a defensive attitude but a pleasure to know that there is a fall back option if EPAs will not provide for good results. ACP negotiators are interested to ensure that Non State Actors work in tandem with government action at national and regional level and welcome further NSA involvement as it has alerted ACP negotiators to the realities of liberalisation. There is a need to be realistic on the level of ambition to be reached by December 2007. **“EPA light” - the minimalist approach to WTO compatibility** (e.g. RTA with 17 years transition period and 85% product coverage). “EPA light” would de facto mean an extended EBA: the EU liberalises 100% and ACP an average of 60 or 50% over a 20 years period. This minimalist “EPA light” option would *not exclude* to negotiate any rules on investment, procurement or competition, but it would be the ACP as sovereign states which set the agenda on their basis.

The Commission representative gave his ‘ok’ for EPA light as one possible line to follow even though not as ambitious and sophisticated a vehicle they would wish – referring to the EC’s current WTO submission introducing the proposal for more flexibility on article GATT 24.

Aminata Traore from Mali called for **NGOs to be even more vocal and for more dialogue space**. Rather than deionisers, NGOs are the “devils advocate’ and need to be more vocal to reveal contradictions, to destabilise dominant discourse and to prevent potential harm. What is needed is a comprehensive public consultation process engaging women and men in ACP countries in the future of their societies and economies.

For more information on JPA:

http://www.europarl.eu.int/intcoop/acp/60_09/default_en.htm

or contact k.ulmer@aprodev.net

EU HUMANITARIAN AID POLICY

New HIV-AIDS action plan

€28.3 million for vulnerable Palestinians

The aid package includes food aid for 730,000 Palestinians in the West Bank and Gaza. More than 180,000 people will have improved access to clean water and sanitation. Some 120,000 inhabitants of the West Bank will benefit from temporary jobs and support to small-scale businesses. Mobile clinics will be deployed in remote villages. Psychosocial emergency teams will assist children affected by conflict-related violence in areas of acute needs, and 43,000 children will enjoy recreational activities in their schools and kindergartens. Coordination of international aid and specific actions aimed at protecting civilians in conformity with IHL principles will also be supported.

In Lebanon, assistance to Palestinian refugees will include nutrition programmes for under-threes, income-generating activities, and social programmes and health care for the elderly and disabled. Legal support will be provided to 3,000 Palestinians whose refugee status is not recognised and are therefore excluded from most aid networks.

€22 million for the victims of the conflict in Chechnya

This new financial support will allow providing basic and supplementary food for the 250,000 most vulnerable people in the three republics, mostly in Chechnya. The decision will also fund primary and mother and child health care and support surgery, traumatology and rehabilitation services for the war-wounded and disabled. It will help provide primary education and vocational training, as well as psychological assistance for the people, especially children, affected by war-related trauma. The funding will cover the truck distribution of drinking water in Grozny (where the population is estimated around 100,000 people) and the improvement of sanitation facilities. It will also allow IDPs in Ingushetia and Dagestan to have access to more decent shelter conditions and water/sanitation facilities.

The delivery of aid will depend, as always, on access and security conditions, which remain extremely difficult. All humanitarian aid organisations continue to work on a remote-control basis in Chechnya, without a permanent expatriate presence.

More information on ECHO's website: http://europa.eu.int/comm/echo/index_en.htm

EC reinforces its disaster response mechanisms

The Commission adopted in April a proposal for a package of measures to reinforce the European Union's disaster response capacity. The Communication also provides a detailed progress report of how the 450 million Euro pledged by the EU after the tsunami disaster is being spent.

The 3 essential elements of the proposals are:

1. New specially trained Assessment and Planning teams will be available for deployment in the early days of a crisis. The teams will bring together geographical and sectoral experts from Commission and its 130 Delegations. The teams will strengthen the EU's role in assessing reconstruction needs, working with other international players such as the World Bank and the UN. They will begin the process of planning for rehabilitation and reconstruction as swiftly as possible, including the identification of projects that might require emergency funding.

2. Strengthening the civil protection mechanism: The Commission will strengthen the EU's Civil Protection Mechanism, which mobilises and coordinates Member States' assistance in terms of specialist teams and equipment. Definition from the EC Communication: *Like EC humanitarian aid, the purpose of civil protection is to save lives and alleviate the effects of a disaster during the first days. It differs from EC humanitarian aid, however, in four respects: civil protection assistance can address the environmental consequences of disasters as well as their humanitarian impact; civil protection assistance is provided through teams, experts and equipment provided by the Governments participating in the Mechanism, rather than through the humanitarian organisations (United Nations specialised agencies, Red Cross organisations and NGOs) used by ECHO; civil protection assistance may be delivered both inside and outside the EU, and the Mechanism can be used also as a tool for facilitating and supporting CFSP crisis management operations.*

In the future, EU Member States will be asked to place certain key resources – human resources and equipment - on permanent standby for European civil protection interventions. A further proposal would allow the EU to hire civil protection equipment which the Member States are not in a position to supply (e.g. aircraft, forest fire fighting equipment).

3. Strengthening the delivery of humanitarian aid: The Commission is proposing new measures to strengthen its delivery of humanitarian aid, notably, the doubling of ECHO field experts up to 150. These are specialists in key relief and humanitarian sectors (such as health, water and sanitation, provision of food, shelter and housing). The experts, located in more than 30 ECHO field offices throughout the world, will be organised in multi-sector rapid response teams. Teams of these specialists can already be deployed within 24 hours to the site of any disaster. The proposals will also improve the interoperability of EU with the UN and Red Cross systems and build up stocks of emergency material.

For communications on EU civil protection:

<http://europa.eu.int/comm/environment/civil/whatsnew.htm>

http://europa.eu.int/comm/environment/civil/pdfdocs/com_2005_137_en.pdf

Press release available on ECHO's website:

http://europa.eu.int/comm/echo/index_en.htm

EU RELATIONS WITH THIRD COUNTRIES

European Neighbourhood and Partnership Instrument: Voicing our concerns

Civil society organizations from both TACIS and MEDA countries as well as Brussels based networks had an opportunity to voice their concerns and make specific recommendations to the European Neighbourhood and Partnership Instrument (ENPI) on a May 3 seminar. The seminar, which was attended by Commission, Parliament and Council representatives, was organized by Aprodev, Eurostep and Trialog.

The seminar was put together to facilitate an informal discussion between civil society and EU institutions on the opportunities and restrictions of the ENPI in terms of promoting sustainable and equitable development – a topic taken up in the last edition of EU NEWS (*EU News 3 - 8 April 2004*).

While the Commission presented the ENPI as a way to promote the European values of peace, stability and prosperity in the neighboring countries, it became clear that civil society organizations were not convinced that such a promotion would necessarily mean pro-poor development through specific programmes addressing gender, food security, water and sanitation, reproductive health and more. In order to ensure that, it was recommended that civil society organizations should be secured a consultative status and effective participation in establishing country strategies and in planning, implementation and monitoring of programmes.

Another feature of the ENPI that was debated is its ‘holistic approach’, which enables the EU and neighbouring countries to identify and tackle a range of problems. While the flexibility of the instrument offers certain gains, it also implies that it is largely a policy driven process where Commission and Council will be central players. Representatives from civil society questioned whether the very basic humanitarian legal standards and values that EU has committed itself to promote is lost in the political management of the country-by-country set up. Therefore, it was recommended to include a comprehensive list of values as spelled out in section I-2 of the future Constitution. It was also recommended to include a safeguard clause in the instrument saying that all agreements concluded under the ENPI should be implemented by each contracting partners in accordance with human rights law, international humanitarian law so as to safeguard, among others, the right to development in all contractual relationships.

A report summarizing all recommendations from CS actors present at the seminar is available on request from f.vencato@aprodev.net. The report was transmitted to the EU institutions and especially to the rapporteur of the European Parliament who is in the process of preparing the Parliament’s position and amendments on the ENPI regulation. The parliament’s report should be adopted by the end of July.

Commissioner for External Relations wants to increase aid to Pakistan

Commissioner Ferrero-Waldner said, *“We have played a prominent role in supporting Pakistan through a challenging period. The European Commission would now like to consolidate this support by substantially increasing our aid to Pakistan in the coming years. We are particularly interested in discussing with the Government of Pakistan the strengthening of our cooperation in the field of education as well as regional development in The North West Frontier Province and Baluchistan. I will propose to Member States and European Parliament that we increase our annual aid to Pakistan fourfold, reflecting the great importance the EU attaches to Pakistan as a key player in South Asia”*.

The aid allocation originally foreseen for Pakistan in 2002-6 of € 75 million has already been substantially increased with a one-off additional allocation of €70 million for financial service sector reforms in 2002 and education in 2006. The European Commission now proposes to increase the annual allocation for Pakistan from €15 million to up to €60 million in the period 2007-13... If Commission plans are approved by Member States and Parliament, the EU will be the donor with the longest term commitment to Pakistan, helping Pakistan’s government to plan. A mission mid-2005 is proposed to further discuss with the Pakistani authorities how a substantially expanded aid programme could best be deployed.

The Commission recognises the strategic importance of Pakistan’s role in maintaining regional stability and in the fight against terrorism. The Commission is prepared to work with the Government of Pakistan in the field of counter-terrorism, for instance on anti-money laundering. In the field of democratisation and human rights, the Commission will encourage Pakistan to continue with its policy of “Enlightened Moderation”. (*source: EC press release*)

The fact that EC funding for Asia is used for operations relating to the fight against terrorism is

not new, such types of activities are already funded in the Philippines through the *Philippines border management project* with the objective of assisting the Philippines in the implementation of the United Nations Security Council Resolution 1373 (2001) related to the fight against terrorism and combating international crime. (*source: response to parliamentary question*).

More recently the same type of project taking place in Pakistan was presented to the Member States Committee for Asia and according to our information, it didn't meet much opposition. Whether such projects are accounted as ODA in EC statistics is not known to us.

In reinforcing its cooperation with Pakistan, the EU is following the logic adopted by the US and UK, as described in CAid report: *The Politics of Poverty, Aid in the new Cold War (May 04)*

Just 11 days after September 11, President Bush lifted the sanctions imposed after Pakistan's nuclear test. The following month all remaining sanctions were lifted. At a press briefing on 24 September, State Department spokesperson Richard Boucher explained the reason for this dramatic change in US policy: 'We intend to support those who support us. We intend to work with those governments that work with us in this fight [against terrorism].'

This was no empty rhetoric. In 2000, US ODA to Pakistan stood at just under US\$88.5 million, but by 2001 the figure had jumped almost ten-fold to more than US\$775 million for that year.

The British, too, have acknowledged their new comrade-in-arms against terror. Less than a month after 9/11, Tony Blair visited Islamabad, and in a joint press conference with Musharraf, announced: 'We have also agreed to restart UK-Pakistan defence cooperation on measures for bilateral assistance and to help the work towards a new IMF programme for Pakistan.'

For more information: http://europa.eu.int/comm/external_relations/pakistan/intro/index.htm

EU police and security missions to support transition in DRC

The European police mission EUPOL will support the creation of an Integrated Police Unit (IPU), **financed by the European Development Fund (EDF)** as well as by the CFSP (Common Foreign and Security Policy) budget and by EU Member States. The European Commission intends to finance, to the amount of €9 million, the strategic plan for ensuring police security services to the electoral process.

EUPOL is the first civil mission for crisis management in Africa, its implementation will be strengthened by the EUSEC, an advisory and assistance mission for security reform in the framework of the European security and defence policy (ESDP under Council responsibility). Code-named "EUSEC RD CONGO", the mission will provide advice and assistance for security sector reform in the DRC with the aim of contributing to a successful integration of the Congolese army. In the framework of the mission, experts will be assigned inter alia to the following key posts within the Congolese administration: the private office of the Minister for Defence, the combined general staff, including the integrated military structure (IMS) and the army general staff,

The EU also fully supports the activities of MONUC (United Nations Mission in DRC), especially through an annual contribution of US\$400 million. MONUC plays a key role, in particular in the disarmament process.

Decision on EUSEC available at:

http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_112/l_11220050503en00200023.pdf

and press releases are available at:

http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/declarations/84748.pdf

and

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/05/146&format=HTML&aged=0&language=FR&guiLanguage=en>

EU FUNDING OPPORTUNITIES

Review of the EC Financial Regulation: an independent report points to the lack of efficiency and effectiveness of the present system

The Commission seems to have finalized the announced review of its Financial Regulation. The review was undertaken in a very discreet way and no external partner has been consulted despite the fact that all EC funding partners complain about the multiple difficulties

experienced in trying to comply with the Financial Regulation adopted in 2002. Dissatisfaction and complains also come from the EC staff in Brussels headquarters and delegations who have to apply and interpret the rules.

The most promising outcome of the review would be more proportionality in the application of the financial rules, more flexible and transparent procedures and less red tape. However, according to the limited information available, the proposed changes seem quite limited and it is very difficult to judge their value. The real test will take place when the new rules will be translated into the modalities of implementation in the coming months.

According to existing information, more flexible and transparent procedures would mean:

Retrospective funding of specific actions;

Advanced commitment for crisis management and humanitarian aid;

Grants to physical persons (prizes...) and associations without legal personality (Trade Unions, associations representing civil society...).

Less red tape would mean:

Increase use of lump sums and flat rates: no need for detailed information on each expense;

Derogation to the non profit rules to allow EU funding for special events (award of prizes...);

No obligation to repay interest on small grants (€50,000);

No need for documentary proof for applicants for contracts under €50,000;

Limit compulsory audit requirements to grants above €750,000 (€100,000 for operating grants).

So many NGOs from all sectors of activities criticized the financial rules in the last two years that a group of civil society networks (including CONCORD) commissioned a study by an expert auditor familiar with the management of big private companies who analyses the EC Financial Regulation from the point of view of efficiency and effectiveness with regard to NGO funding.

The report entitled 'Striking a balance, efficiency, effectiveness and accountability' was officially launched in May. Beyond its very critical assessment of the efficiency and effectiveness of EC management rules and practices and the burden it represents on both sides, the report makes a series of general and detailed recommendations that are summarized in [appendice 1](#). For the author, *the problem is amplified by the interplay between the Regulation and the Commission's culture. It is an organisation that sees itself as responsible for policy making rather than implementing or managing programmes. As one senior insider put it "the Commission is an organisation without a management culture". It is an organisation ready to judge others, but seemingly unable to challenge itself.*

One of the general recommendations is that:

*The Financial Regulation and Implementing Rules should be re-drafted. As part of this process they should be broken down into multiple **end user orientated** regulations. In this case it should be subject by end-user group e.g.: Commission staff involved in internal budgetary processes, Commission staff and beneficiaries of grants. Common themes such as sound financial management should be repeated in each regulation if appropriate. While not changing the regulations conceptually this would make each regulation easier to understand, require less reading for each subject and therefore be more likely to be understood and followed.*

Unfortunately, the author's request to meet officials in charge of the review in DG Budget was rejected and from the way the process was handled until now there is little expectation that a real consultation will take place.

Another consultant's report on the Financial Regulation and its impact on the quality and impact of projects is under way. It was commissioned by the Green Group of the European Parliament and will be subject to a hearing to take place on the 1st of June.

The full report 'Striking a Balance' is available at

<http://www.solidar.org/english/pdf/Striking%20a%20Balance%20-%20Final1.pdf>

For EC information on the review, see:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/520&format=HTML&aged=0&language=EN&guiLanguage=en>

and http://europa.eu.int/comm/budget/pdf/news/fin_regulation_present_290405_en.pdf

**What thematic approach in future development cooperation framework:
rationalization of thematic budget lines – EP report on access to aid**

Two major debates that have an impact on the way NGOs will cooperate with the EC in the future have made progress in recent days.

Firstly, the Commission seems ready to publish a communication on the rationalization of thematic budget lines in a close future (after two years of internal discussion and hesitations) and secondly, the Development Committee of the Parliament adopted its resolution on the blanket regulation proposed by the EC in Spring 2004 and relating to the untying of aid and its effects on access to EC funding.

Both issues are of course closely related to the debate that will soon take place on the funding programme and mechanism that should replace the existing co-financing line after 2006.

EC ideas on rationalization as they were presented at a meeting between DG Development and CONCORD in April can be summarized as follows:

- **Criteria for maintaining or creating thematic programmes:** work at Global level or on Global Public Goods / Actions taking place in the EU / Co-financing of CS actions / Support to Multilateral Organisations / Actions complementary to CSPs (pilot, cross-cutting, sensitive) / Official Aid suspended
- **Examples of EC suggestions for thematic programmes:** Human Rights and Democracy / Human and Social Development (including HIV/AIDS, gender, reproductive health...) / Environment / Support to Civil Society actors and local authorities
- These would be **cross-instruments thematic programmes**, it means that they would be implemented in the different regions covered by the geographic instruments of the new Financial Perspectives (Instrument for Pre-Accession, European Neighbourhood and Partnership instrument and Development Cooperation and Economic Cooperation instrument).
- **Multi-annual strategies** would be established for each instrument including list of priority countries and actions and funding allocation for the different priorities.
- The Council and the European Parliament would be consulted on the basis of a document outlining each thematic programme
- CSOs would also be consulted at an early stage
- The **Management** of the programmes would be governed by the legal basis of the geographic instruments.

CONCORD FDR already adopted a **principle paper** on the rationalisation that will guide its comments and analysis of the EC proposals in the coming months.

A CONCORD **FDR discussion paper on the future programme to support civil society** has already been circulated for consultation and feedback from CONCORD members is expected by mid-June so that a first draft position paper would be ready for consultation before the summer break. EC papers outlining each of the thematic programmes are expected in the beginning of the autumn and CONCORD FDR still hopes to be able to adopt an NGO position and recommendations before the EC outline is published.

The Development Committee of the European Parliament adopted a resolution (drafted by Michael Ghaler, EPP, G) on the EC proposal for a blanket regulation amending all existing regulations in line with the principle of aid untying. In its resolution the Parliament asks for a derogation of the eligibility rule (foreseeing access for a wide range of actors) for the co-financing budget line in the same way as the derogation requested by the Commission for ECHO funding.

It is important to note however that the derogation on co-financing applies to the existing regulation of the budget line 21-02-03 that will disappear at the end of 2006 if and when the regulations for the new instruments (in the framework of the 2007-2013 Financial Perspectives) will be adopted.

Gahler's report at:

http://www.europarl.eu.int/meetdocs/2004_2009/documents/PR/565/565640/565640en.pdf

Recent calls for proposals

Preliminary remark: All information on these calls for proposals is available at: <http://europa.eu.int/comm/europeaid/cgi/frame12.pl>

To make the right selection in the search engine of the EuropeAid website, please refer to the acronyms that I put in brackets (ALA, FED, OTHER or TACIS).

Because of deconcentration, the number of local calls for proposals has dramatically increased so that it becomes difficult to make sure that everything is covered in the News. We recommend that you regularly consult EuropeAid website and more particularly the website for calls in ACP countries by selecting FED/Budget, open, grants.

Support to the fight against poverty diseases (HIV/AIDS, Malaria and Tuberculosis) (Other)

Open until 2 June 2005 for the first phase application (concept note)

Documents: [EN-guidelines](#)  [EN-Pre-liminary application](#) 

A FAQ file is available on EuropeAid website.

European Initiative for Democracy and Human Rights / Micro-projects (Other)

Algeria : Budget EUR: 435000 / Open until 4 July 2005, **ONLY addressed to local organisations in Algeria**

Documents: [formulaire demande](#) [tender](#) 04.05.2005 [Lignes directrices 2005](#)

Haiti : Budget EUR: 345000 / open until 20 July 2005

Documents: [tender](#) 17.05.2005 [Lignes directrices et annexes](#)


Israel : Budget EUR: 435000 / open until 30 June 2005

[Guidelines](#) 


Mexico: Budget 435 000 euros / open until 1st July 2005 / [tender \(corr.\)](#)


Pakistan: Budget: 435 000 euros / open until 30 June 2005 / [guidelines](#)

Food Aid and Food Security (Other)

Angola: open until 18 August 2005 / [Annuncio](#) [Orientacoes](#) 

Haiti: open until 29 July 2005 / [tender](#) [Lignes directrices](#)

Madagascar: open until 25 July 2005 / [Avis](#) [Lignes directrices](#) 

Guinea Bissau: open until 21 June 2005 / [tender](#) [Orientac?es aos requerentes](#) 

Decentralised Cooperation Budget line (Other)

Angola: **Budget**: 500 000 euros / open until 20 June 2005 / [summary](#)

Burma/ Myanmar: open until 8 July 2005 / [summary](#) [Guidelines](#) 

Operations to Aid Uprooted People (ALA)

Philippines

Open until 25 August 2005

Priority will be given to operations clearly targeting internally displaced groups, demobilized former soldiers and their families, and the local population of host territories as a result of armed conflict in Mindanao. Total budget available: 3 million euros, projects proposals expected between 700 000 and 1.1 mio euros.

Documents: [Notice \(13.05.2005\)](#) [Guidelines](#) 

Bangladesh

Open until 19 July 2005

Documents: [Notice \(07.04.2005\)](#) [Guidelines](#) 

Participation of civil society

Ethiopia: Technical Assistance Unit for the Civil Society Fund (FED)

Open until 28 June 2005

[tender](#) 14.05.2005

Moldova: Strengthening Civil Society (TACIS)

Budget EUR: 1400000

Open until 15 June 2005

Documents: [forecast](#) [tender](#)

Mediterranean region, Role of Women in Economic Life (MEDA)

Budget EUR: 2500000

NEWS FROM THE NETWORKS

NEWS FROM APRODEV

The **Annual Meeting of Aprodev** will take place on 6 and 7 June in Vienna. Besides statutory business, the agenda foresees the adoption of the new strategic plan and budget of Aprodev for the period 2006-2008 as well as discussions on the new global ecumenical alliance (PEAD/ACT Global) and the presence and activities of Aprodev at the World Social Forum and at the 2006 WCC Assembly in Porto Alegre. A discussion with the Austrian Development Agency on EU development policies and programmes and a more in depth debate on the evolving role of Northern NGOs and Civil Society organisations in other parts of the world and the changing political climate are also planned. The meeting will be closed by a mini-seminar on the issue of **security and development** on the basis of an assessment and discussion paper drafted by Clive Robinson on the request of Aprodev: *Whose security, integration and integrity of EU policies for security and development*.

The paper will be finalised and published after the seminar.

Aprodev published a press release on the WTO-Ruling of the Appellate Body on sugar and its consequences for the EU sugar regime (soon available on www.aprodev.net).

Christian Aid supporters from around Britain and Ireland packed St Paul's Cathedral on Tuesday 26 April for a service to celebrate the charity's 60th anniversary. More at: <http://www.christianaid.org.uk/news/stories/050427s.htm>

At the end of April, Christian Aid launched and presented its new report on ACP-EU Trade to EU institutions. The report, *For richer or poorer: transforming economic partnerships between Europe and Africa*, shows how the EPAs will damage the ACP's small producers and industries. More at: <http://www.christianaid.org.uk/indepth/505epas/index.htm>

In March, Aprodev welcomed **Kirsten Hjørnholm Sørensen**, who is employed through DanChurchAid as Advocacy Coordinator for Palestinian and Israeli issues. Kirsten is based in the DCA offices in Copenhagen but will regularly be in Brussels. An important focus of her work is the European Neighbourhood Policy as it relates to Israel and the Palestinian Authority.

NEWS FROM CIDSE

Recent publications available on the CIDSE website:

- CIDSE-Caritas Internationalis comments on the **UN Secretary General's report** "In Larger Freedom..." (May 2005)
- CIDSE-Caritas Internationalis submission to the World Bank / IMF **Poverty Reduction Strategy review** (April 2005)
- CIDSE background paper "*Long-Due Reform? The International Monetary Fund, the World Bank, and **Global Economic Governance** 60 Years Later*" (April 2005)
- CIDSE-Aprodev joint position paper "**Reform of the Sugar Regime in the European Union: A development perspective**" (April 2005, EN & FR)
- CIDSE Advocacy Newsletter, April 2005
- CIDSE background note on **New Resources for Development** (March 2005, EN & FR)

In April CIDSE, along with the ICFTU, the French MDG platform '2005 plus d'excuses!' and the Brazilian platform of NGOs 'ABONG', organised a **side-event 'Innovative sources of Finance are possible now' at the ECOSOC High Level Dialogue** with the International Financial Institutions (IFIs), the WTO and UNCTAD in New York, with speakers including

Jean-Pierre Landau, the coordinator of the French Government's report on innovative sources of finance. The aim was to engage a political debate on the immediate feasibility and necessity of adopting at least two forms of international taxation to raise finance for development. CIDSE, along with Eurodad, Afrodad and Estrategia Andina Centroamericana Amazonica, also organised in April a **panel discussion 'What policy indicators to inform the debt sustainability analysis?'** ahead of the **Spring Meetings** of the IFIs in Washington, aimed at raising questions and identifying the challenges associated with the Country Policy and Institutional Assessment. For more information: saldanha@cidse.org.

The **CIDSE Secretariat** welcomes to its **staff** Géraldine Thomas as assistant to the Secretary General. Géraldine has a background in information and communication and comes to CIDSE with previous experience within the NGO sector in the area of youth projects. She can be reached at thomas@cidse.org. Johanna Fogelstrom is now the coordinator for Africa, Asia and Peace & Conflict.

NEWS FROM CARITAS EUROPA

In its **position paper on Development of "European Union rapid response capability" & Creation of a "European Voluntary Humanitarian-Aid Corps** (March 2005), Caritas Europa supports a leading and coordinating role for ECHO (European Commission Humanitarian Office) in the design and in the implementation of such a capability; underlines the fact that through international consensus the UN plays the leading role in emergency coordination; emphasises the necessity of a solution, which further ensures the independence, neutrality, and impartiality of humanitarian aid; expresses concern about the idea of "red helmet" units as "intervention troops in case of a humanitarian crisis"; and draws attention to the importance of calling upon professional specialised volunteers for the creation of a "European Voluntary Humanitarian Aid Corps". For more information: hhappel@caritas-europa.org.

Other recent publications available on the Caritas Europa website:

- Caritas Europa position on the recently adopted Council of Europe guiding principles on the **forced return of migrants** (press release FR, May 2005)
- Joint contribution of Caritas Europa, CCME, COMECE, ICMC, and QCEA to the consultation on the European Commission's Green Paper "An **EU approach to managing economic migration**" (April 2005)
- Caritas Europa newsletter (March 2005)

Following the recent death of the Caritas Internationalis President Archbishop Fouad El Hage, **Denis Viénot**, President of Caritas Europa and first Vice-President of Caritas Internationalis since 2003, will become the **Confederation President** through June 2007. **Cristina Loghin**, Vice-President of Caritas Europa and Secretary General of Caritas Romania, will become the **President of Caritas Europa**.

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: fund raising, funding of emergency, relief, rehabilitation and development activities, capacity building, consultancy, awareness raising, education, and advocacy. <http://www.aprodev.net/main> - 28 Boulevard Charlemagne, B-1000 Brussels, Belgium – Tel : +32 2 234 56 60

CIDSE (International Cooperation for Development and Solidarity) is a coalition of 15 Catholic development organisations in Europe and North America. CIDSE members share a common vision on poverty eradication and social justice and a common strategy on development programmes, development education and advocacy. CIDSE's advocacy work covers trade & food security, resources for development, global governance, EU development policy, and security & development. <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