

CONCORD Cotonou Working group  
Briefing paper

## 10<sup>th</sup> EUROPEAN DEVELOPMENT FUND: the Partnership under Threat

*"Our assistance, very logically, [...], is proportionally more focused on aid for trade in a broad sense. This includes assistance in the implementation of trade agreements as well as infrastructures linked to trade"*  
Louis Michel, European Commissioner for Development and Humanitarian Aid, speech on the 10th EDF during the ACP-EU Joint Parliamentary Assembly in Wiesbaden, 26th June 2007

### 1. What is the programming exercise?

The programming exercise is the process of consultation between the EU and individual ACP Governments through which the utilisation of the money allocated to individual ACP countries as well as to ACP regions over the coming years is planned. The programming process determines:

- the priority sectors for support;
- the type of assistance to be provided;
- the most appropriate agencies for implementation

The programming process, led by the European Commission in theory in co-operation with ACP governments, is supposed to involve, ACP parliamentarians, Civil Society and local authorities.

### 2. Where are we in this process?

The negotiations on the programming for the period 2008-2013 have now almost come to an end. EU Member States have looked at most of the draft Country Strategy Papers and gave their favourable opinions. The Regional Strategy Papers still need to be looked at but this involves a lower share of the 10<sup>th</sup> European Development Fund (EDF). Pacific Country Strategy Papers have already been signed. However the 10<sup>th</sup> EDF will not be disbursed before ratification of the revised Cotonou Agreement and the 10<sup>th</sup> EDF internal agreement. Chances of getting these documents approved before late 2008 seem to be quite low according to our discussions with ACP and EU member states representatives. We therefore cannot understand the pressure maintained by the European Commission in pushing ACP states to agree Country Strategy Papers before the end of 2007.

There are clear indications that parliaments and civil societies have been left outside that process despite the participation requirements of the Cotonou Agreement. One can still wonder whether carrying out participatory processes around the elaboration of these aid plans was really too difficult, or whether there were deliberate attempts from the European Commission and ACP governments to exclude parliaments and civil societies from this process. It is therefore relevant to assess the extent to which these Country Strategy Papers are responding to the needs of women and men living in poverty in ACP countries.

The work that the ACP-EU Joint Parliamentary Assembly is planning to undertake on monitoring these aid plans in the coming months is therefore extremely relevant.

### 3. Key concerns and lessons learned so far (November 2007)

What do the first draft Country Strategy Papers and discussions in the Council tell us?

- There are serious difficulties to **ratify the revised Cotonou agreement and the 10th EDF internal agreement** on time in the different EU and ACP parliaments. While the Commission argued that this would cause major difficulties around the implementation of funds and create serious problems, it now seems that 8th and 9th EDF funds will be used to cover the gaps. The rush to adopt Country Strategy Papers is often interpreted as an attempt to diminish the bargaining power of ACP countries, which are already focused on the EPA negotiations. Do these aid plans really need to be finalised now while they will not be implemented before late 2008? Could they be reopened to allow parliamentarians and civil society to effectively participate in the process?

- While the EU keeps on reaffirming its commitment to guarantee that ACPs can decide on development strategies for their economies and societies in all sovereignty (“ownership”), there are clear indications that certain **aid priorities have been imposed to ACP governments** in this process. The unequal economic and political weight has not helped ACPs in getting what they wanted from these negotiations. One can observe the strong emphasis on EC priorities such as governance and competitiveness, to the detriment of sectors such as health, education, agriculture, rural development, usually identified as priorities for poverty eradication by local actors. (e.g. Cameroon, Mali, Madagascar ...)
- According to our colleagues in various ACP countries **participation and consultation of non-state actors and parliamentarians has been weak to non-existent**. In rare cases where Civil Society Organizations were invited to participate, the impact of the discussions was not measured, invitations, agenda and preparatory documents arrived late and Parliaments were not involved. EC delegations and ACP governments seem to have rarely played a proactive role to involve civil society and national parliaments in a transparent and consistent manner. (e.g. Burundi, Mali, Cameroon, Burkina Faso, RD Congo, etc)
- Part of the money earmarked for ACP countries has been allocated only on condition that the country puts in place **governance measures according to the Commission’s unilaterally identified criteria** (governance profile and assessment grids). In addition to what could be viewed as more consensual criteria, for example relating to human rights, democracy or transparency, the criteria and subsequent measures include management of migration and re-admission of illegal migrants, the fight against terrorism and the proliferation of weapons of mass destruction, and private sector-friendly policies i.e. tax reform, more flexible labour regulation (linked to the EPAs). This is a way to push European economic and geopolitical interests into the programming process and stands in direct contradiction to the principle of ownership. In addition, the methodology to allocate another 10% to 30% of the initial envelope for each country has neither been discussed nor made public. Both Parliaments and Civil Society were left outside this process. (e.g. Zambia, Senegal, ...)
- **Spending on health and education** is key to reaching the Millennium Development Goals. However recent commission figures have shown that the reality is far from being satisfactory as only 6% of the initial funding for ACP countries will be allocated to support the health and education sectors. This is less than under the 9th EDF. The European Commission is arguing that assistance delivered through General Budget Support will contribute to strengthening health and education but has not yet provided the evidence that it can really deliver budget support mechanism that can work for health and education. The EC should work towards the elimination of the IMF spending ceilings on social sectors if it wants to be credible in increasing spending on health and education via GBS.
- In the context of the EPA negotiations, ACP countries have been calling for additional resources to strengthen their economic infrastructure and productive capacities and to deal with EPA-related adjustment costs. There are indications that **EPAs adjustment costs** have been introduced within draft Country and Regional Strategy Papers under the 10th EDF. These additional costs should be covered by new resources to be found by the EC and the Member States.

#### **4. Recommendations to the JPA**

We, members of the Cotonou Working Group (Aid), observe in our dialogue with ACP representatives (government, parliamentarians and civil society) that the principles of ownership and participation as well as the central poverty reduction objective enshrined in the Cotonou Agreement are being violated in the 10th EDF programming process. We understand that this is due to non-transparent and non-participatory procedures, which are often keeping national parliamentarians and civil society out of the process. We also understand that 10<sup>th</sup> EDF funds will not be available before late 2008 due to delays in ratification processes. Therefore we call upon the Joint Parliamentary Assembly:

- **To call on the EU and ACP governments to use the time available before the entry into force of the 10<sup>th</sup> EDF (late 2008 or later), to launch broader discussions on the content of Country/Regional Strategy Papers. This should involve parliamentarians and civil society representatives.**
- **To put in place a strong and transparent process allowing the Joint Parliamentary Assembly to carefully monitor the definition, implementation and review of the Country / Regional Strategy Papers.**
- **To guarantee that EU-ACP development cooperation is not led or influenced by European political and economic interests but supports national development objectives and local priorities for poverty eradication.**

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