

**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 European Development Fund?**

The European Development Fund (EDF) is the main instrument for European Community aid for development cooperation in the Africa, Caribbean and Pacific (ACP) countries. It is replenished every 5 years by EU Member States according to an agreed financing quota. This year marks the beginning of the 10<sup>th</sup> EDF, which covers the period between 2008 and 2013.

**2. Where do we stand?**

At present, the 10th EDF cannot be released since the ratification of the revised Cotonou Agreement and internal agreements by the EU Member States have been delayed. We also understand that on the ACP side, the required 2/3 of 78 ACP country signatures has not been met. Moreover, not all Country Strategy Papers (CSPs) and National Indicative Programmes (NIPs) for ACP countries have been adopted or signed.<sup>1</sup> The Regional programming exercise is also seriously delayed due to the slow national programming process and uncertainties around the EPA negotiations.

**3. What are the challenges ahead?**

While ACP countries are too often accused of not having enough absorption capacity, delays make it almost impossible for them to commit funds in time. Under the Cotonou Agreement the EU set an end date by which funds need to be legally committed. Uncommitted funds can be ‘de-committed’ and taken back into the general reserve. Funds from the general reserve could then be used at the discretion of the European Commission subject to approval by the joint ACP-EU Council of Ministers, reducing the overall funding available for a particular country.

**4. What role for the Joint Parliamentary Assembly?**

There are clear indications that parliaments and civil society have been left outside during the 10<sup>th</sup> EDF programming exercise despite the participation requirements of the Cotonou Agreement. It is therefore important to monitor the extent to which these Country Strategy Papers are responding to the needs of women and men living in poverty in ACP countries. An analysis of the publicly available CSPs demonstrates that governance, infrastructure, regional integration and trade are focal sectors most commonly referred to in these documents. Together with the National Parliaments, 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. (Mid term review)

**5. Key concerns and lessons learned so far (February 2008)**

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

- **Ratification of the revised Cotonou agreement and the 10th EDF internal agreement** is being delayed. While the Commission argued that this would cause major difficulties around the implementation of funds and create serious problems, it now seems that 9th EDF funds will be used to cover the gaps.

<sup>1</sup> More info: [http://ec.europa.eu/development/how/iqsg/documents\\_library\\_en.cfm](http://ec.europa.eu/development/how/iqsg/documents_library_en.cfm)

- 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**. 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 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. Mali, Cameroon, Burkina Faso, DRC, etc)
- Part of the money earmarked for ACP countries has been allocated on the 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). In addition, the methodology to allocate another 10% to 30% of the initial envelope for each country has neither been discussed with stakeholders nor made public. (e.g. Zambia, Senegal, ...)
- **Spending on health and education** is key to reaching the Millennium Development Goals. However 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 General Budget Support.
- 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.

## **6. 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. This is due to non-transparent and non-participatory procedures, which are often keeping national parliamentarians and civil society out of the process. We therefore call upon the JPA:

- **To call on the EU to disburse the 10<sup>th</sup> EDF as quickly as possible and guaranty the continuity of development aid to ACP countries**
- **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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