

WHAT'S ON THE EU AGENDA FOR DÓCHAS MEMBERS IN 2007?

A Dóchas briefing paper

January 2007

This paper sets out some of the key issues on the European Development agenda. For each issue, the document provides a short overview of recent history, and the main challenges expected for 2007.

The issues are grouped as follows:

- EU Africa Relations: EPA negotiations, EDF 10 and EU-Africa Strategy
- Policy Coherence
- EU Aid Effectiveness
- EU Aid Instruments

A short EU funding section concludes the paper listing EU calls for proposals for the first half of 2007.

1. EU-AFRICA RELATIONS

2007 will be an important year for EU-Africa relations, with significant decisions expected in relation to the Economic Partnership Agreements (EPA), the replenishment of the European Development Fund (EDF) and the EU-Africa Strategy.

a) EU-ACP Economic Partnership Agreements (EPA) negotiations

What happened in 2006?

Economic Partnership Agreements (EPA) being negotiated between the EU and the African, Caribbean and Pacific (ACP) group of countries entered the final stages of the negotiations process. These negotiations take place on a regional basis, with 6 regions identified. The pace of negotiations accelerated in most regions, and as the December 2007

deadline approaches, points of contention are becoming clearer.

According to the European Commission (EC), mandated to carry out the negotiations on behalf of the EU Member States, EPAs should be instruments for development. This implies that EPAs should bring about sustainable development by fostering macroeconomic stability and gradually integrating ACP countries into the world economy. According to the ACP, however, EC negotiators have thus far failed to demonstrate how EPAs will be development oriented trade agreements.

The EC and ACP still differ greatly on their interpretations of the financial consequences of the adjustments that the ACP countries must make. To date, the EC refuses to accept to foot the bill.

What's on the agenda for 2007?

EPAs should officially be concluded end of 2007, as the WTO waiver on non-reciprocal trade agreements ends on that date. But looking at the negotiations standstill in some ACP groupings (Central Africa and West Africa notably), and rising frustrations in all groupings, a lot is expected to happen in 2007.

EPA Milestones in 2007

- **Conference on the EPA Consultation (27 February – Berlin)**
- **Informal EPA Mid Term Review Discussions Scheduled (March - Bonn)**
- **ACP-EU Ministerial Scheduled (May - Brussels)**
- **13th ACP-EU JPA (23-27 June - Wiesbaden)**
- **14th ACP-EU JPA (November)**
- **Scheduled EPA negotiations conclusion (December)**

The focus of the first quarter will be the mid-term review of EPA negotiations including a thorough review by ACP States of the inclusion of the development dimension in the negotiations. EPA draft legal texts have been put forward in most of the negotiating groups, and text-based discussions are expected in 2007.

b) Programming of the 10th European Development Fund (EDF 2008-2013)

The EU's cooperation with the countries in Africa, the Caribbean and the Pacific (ACP) is financed from a fund paid for and controlled by the EU Member States. This European Development Fund (EDF) is agreed by the Member States over 5-year periods, and each replenishment need to be agreed and ratified by all Member States. The next EDF, the 10th since the beginning of EU-ACP Cooperation will cover the period 2008-2013.

What happened in 2006?

The 10th EDF was fixed at 22.7 billion Euro in June 2006. Of this amount, 8% has been earmarked for regional cooperation, and 12.3% for intra-ACP and inter-regional cooperation programmes. Following the announcement of the 10th EDF amounts, EDF programming cycles were initiated at national level, based on the elaboration of Country Strategy Papers (CSPs) in ACP countries involving both EC delegations and local ACP officials.

This first phase in the 10th EDF programming is almost finalised as we enter 2007. Criticism of the process has focused on the low level of involvement of local civil society organisations in the consultation process, and a sense that the EU is pushing through ACP commitments on governance, infrastructure and competitiveness capacity, crucial areas to develop for EPA implementation to be successful.

EDF Milestones in 2007

- **EC Internal Discussions on Draft ACP CSPs for 10th EDF Programming (January)**
- **Decisions on ACP CSPs in EDF Committee (March through April)**
- **10th EDF Programming scheduled to be completed (July)**
- **All 9th EDF funds to be committed (December)**

What's on the agenda for 2007?

The second programming phase already in progress will continue at the beginning of 2007 and see the DG Development Inter-Service quality Support Group (iQSG) assess the quality - and the conformity with EC's guidelines - of the Country Strategies (CSPs) presented by ACP countries. The last step in the programming process is scheduled to take

place in spring 2007, when CSPs will be officially approved by the EDF Committee.

EDF ratification by the EU Member States is likely to take up to three years from 2007.

c) EU-Africa Strategy

What happened in 2006?

During 2006, the EU-Africa Strategy - adopted in December 2005 to establish a framework for relations between the EU and Africa - made little progress. A joint implementation matrix based on African policy agenda was prepared and reviewed in September. A progress report presented to the EU Council of December 2006 calls for the implementation of priority actions for 2007 as identified in the report.

The pillars of the strategy include:

- Peace and security;
- Human Rights and good governance;
- Health and education, and
- Economic growth, commerce, private sector and infrastructure development.

Key priority areas of collaboration with Africa should revolve around security, migration, governance and trade negotiations.

EU-Africa Milestones in 2007

- **Stakeholder meetings & consultations on EU-Africa Strategy (January through February)**
- **Joint EU-Africa Strategy Strategy: Final Draft Consideration (May)**
- **EU-Africa Summit Scheduled (November – Lisbon)**

What's on the agenda for 2007?

The EU Council will be working towards the adoption of the joint strategy at the

second EU-Africa Summit under the Portuguese presidency.

A joint 18-month draft programme of the German, Portuguese and Slovenian presidencies starting in 2007 states that the three presidencies will focus on the implementation of EU's strategy for Africa, taking stock of the implementation report and joint strategy with African partners.

A consultation phase, including stakeholder meetings and Internet consultations with key EU and African actors, is planned for the beginning of 2007. However, some Southern and Northern NGOs have been calling for longer consultation periods.

2. POLICY COHERENCE FOR DEVELOPMENT

What happened in 2006?

Policy Coherence for Development is one of the overarching principles of the EU's commitment to achieve the MDGs. As such, it is contained in the European Consensus on Development, published in December 2005. In the EU context, Policy Coherence is understood as "a tool to assist in delivering effective development policies within the framework of the overall objective of improving the efficiency, coherence and visibility of the Union's external policies".

Twelve policy areas were identified for policy coherence at EU level, namely trade, environment, climate change, security, agriculture, fisheries, social dimension of globalisation, migration, research and innovation, information society, transport, and energy.

Member States were also asked to identify ways to improve policy coherence at national decision-making level. From these

policy areas, “Coherence for development commitments” were set.

In its annual Orientation Debate on the effectiveness of EU external action in October, the Council focused on Policy Coherence and proposed to prepare biennial reports on the application of its principles in the EU. These biennial reports are to be based on information collected from the Member States. The Council also encouraged future Presidencies to ensure that “development concerns are fully reflected across the policy spectrum at all relevant stages in [EU] decision-making.”

Policy Coherence Milestones in 2007

- **Questionnaire for biennial report sent to Member States (January)**
- **Likely Questionnaire deadline (March)**
- **1st EU biennial Report on Policy Coherence for Development (September)**

What’s on the agenda for 2007?

The first biennial report on the application of Policy Coherence principles is to be released in September 2007. It is the Council’s aim to make the process leading to the report as participatory as can be, involving the Member States, as well as inputs from developing countries, civil society and the European Parliament. In particular, Member States will be asked to report on how policy coherence features in their national decision-making processes. A questionnaire will be sent to them beginning of 2007, focusing *inter alia* on horizontal coherence priorities (institutional arrangements, coordination mechanism, capacity building efforts) as well as the 12 thematic priority areas cited above.

The EC is also expected to present results of an evaluation of its policy impact assessment systems.

3. EU AID EFFECTIVENESS

What happened in 2006?

EU aid effectiveness commitments, taking stock notably of the March 2005 Paris Declaration principles of ownership, alignment, and harmonisation, as well as of the Monterrey Consensus principles, have been laid out in various EC communications in 2006¹.

The main innovation in the EU aid effectiveness debate relates to the consideration for a need for effectiveness of EU aid as a whole, including both “community aid” and Member States bilateral contributions. Aid from the Community and Member States should be pulled together in a co-financing model. In that respect, a road map process was agreed in Council conclusions from April 2006. This road map contains notably joint financing arrangements and complementarity objectives, as well as the drafting of a donor atlas as a useful information tool for planning and co-ordination. The Council also encourages the EC and Member States to devise an approach on a division of labour on resources and to work on a common framework for Country Strategy papers and multi-annual programming to be applied to ACP countries.

What’s on the agenda for 2007?

As recommended in the October 2006 Council Conclusions, an EC

¹ The most prominent EC communications in this regard consist of the “Challenge of scaling up EU aid 2006-2010”, “EU Aid: delivering more, better and faster”, and “A common framework for drafting Country Strategy papers and joint multi-annual programming”, all released in March 2006.

communication is expected in February on the subject of division of labour and complementarity. Prior to the communication, a seminar is planned with Member States to foster dialogue on those issues. Linked to the EU aid effectiveness debate is a meeting organised by the DAC for civil society organisations in April on aid effectiveness, the Paris Agenda, as well as the upcoming third high level event on aid effectiveness to be held in 2008 in Ghana. Finally, also in April, the DAC will discuss ODA criteria at a high-level meeting.

Aid Effectiveness Milestones in 2007

- **DAC EC Peer Review (January -Brussels)**
- **Member States Seminar on Donor division of labour/complementarity (January)**
- **EC Communication on Donor division of labour/complementarity (February)**
- **Monterrey Commitments: EC monitoring report (March)**
- **DAC hosts CSO event on Aid Effectiveness/Paris Agenda/Ghana 2008 (April)**
- **DAC High-level meeting: Discussion of ODA criteria (April)**
- **UN High-level Dialogue on Financing for development (October - New York)**

4. NEW AID INSTRUMENTS

What happened in 2006?

A revolution was in the making in 2006 when the European Parliament approved an agreement on the new financing instrument for Development Cooperation for 2007-2013.

A single, simplified instrument will replace the multitude of existing instruments, ensuring the application of clearly distinguishable development principles to EU policy and decision-making.

The Development Cooperation Instrument (DCI) will have a budget of almost 17 billion Euro for 2007-2013, in addition to the 10th EDF budget of 22.7 billion. The instrument's scope will be restricted to developing countries. Funding allocations will be attributed to programmes on the basis of geographical as well as thematic criteria. The programmes should cover either Asia, Central Asia, Latin America, the Middle East or South Africa and relate to themes including migration, education, health, food security, investing in people, non-state actors etc...

The EC has guaranteed the allocation of 20% of the geographical programmes to primary and secondary education, as well as basic healthcare. As for the Parliament, it managed to secure its co-decision powers on the external relations areas where it enjoyed them. Regarding the funding approval mechanisms, the national auditing body and Parliament of each partner country concerned will have to approve the DCI envelopes.

What's on the agenda for 2007?

A second reading of the draft regulation awaited the Parliament and Council in December 2006, leading to the signing of the regulation in December for entry into force on January, 1, 2007, at the beginning of the new financing period. DCI programming cycles for 2007 will ensue.

5. EU FUNDING

Calls for Proposals:

Development Education: Actions to raise European public awareness of development issues

Bulgaria, Romania, Croatia and Turkey – Business Support Program – Deadline April 4th 2007

South Africa – Thina Sinako Province Local Economic Development Deadline February 16th 2007

Kyrgyzstan, Tajikistan and Sri Lanka – Human Rights and Democracy Microprojects – Deadline March 26th 2007

Colombia – Human Rights and Democracy microprojects and fight against antipersonnel landmines – Deadline : March 1st 2007

Burma/Myanmar – Aid to Uprooted People Programme – Deadline April 2nd 2007

Albania, Bangladesh, Congo, Ivory Coast, Egypt, Peru, Turkey – Human Rights and Democracy Microprojects

Senegal – Support to non state actors in Senegal – Deadline February 20th 2007

Afghanistan – Provision of Health Services and Hospital Services – March 25th 2007

Bulgaria – Former Yugoslav Republic of Macedonia Joint Small Projects – Deadline March 5th 2007

Bulgaria – Cross Border co operation Bulgaria-Turkey Joint Small Projects – Deadline April 6th 2007

Bulgaria/Serbia – Sustainable Economic Development – Deadline March 30th 2007

DR Congo – Fight against antipersonnel landmines – Deadline April 3rd 2007

Cuba – Decentralised Cooperation Microprojects – Deadline March 30th 2007

MAIN EU DEADLINES IN 2007

January 2007	February	March	Apr
Stakeholder meetings & consultations on EU-Africa Strategy		Decisions on ACP CSPs in EDF Committee	
GAERC Meeting (22-23)	GAERC Meeting (12-13)	GAERC Meeting (5-6)	GAERC Meeting (23-24)
EC Internal Discussions on Draft ACP CSPs for 10 th EDF Programming	Concord Cotonou Group Seminar on 10 th EDF Programming Planned	DAC Hosts CSO event on Aid Effectiveness	DAC High Level Meeting
Start of 2007-2013 Financial Perspectives	Conference on the EPA Consultation (27 - Berlin)	Informal EPA Mid Term Review Discussions Scheduled (Bonn)	DAC hosts CSO event Effectiveness/Paris Agenda/Ghana 2008
Member States Seminar on Donor division of labour/complementarity	EC Communication on Donor division of labour/complementarity	International Conference on Good Governance (Brussels)	
PCD Questionnaire for biennial report sent to Member States		EC Monitoring Report Monterrey Commitments	Likely PCD Questionnaire deadline
DAC EC Peer Review (Brussels)		50 th anniversary Rome Treaty	

May 2007	June	July	Aug
Joint EU-Africa Strategy Strategy: Final Draft Consideration (8 th EU-AU Ministerial Troika - 15 th)	13 th ACP-EU JPA (23- 27 - Wiesbaden)	10 th EDF Programming Scheduled to be Completed	
GAERC with Development Focus (14-15)	Annual Report on EC Aid		
ACP-EU Ministerial Scheduled (Brussels)	Conference on the Role of NGOs in EU Development Policy (22 - Bonn)		

September 2007	October	November	December
1 st EU biennial Report on Policy Coherence for Development	GAERC with Development Ministers	EU-Africa Summit Scheduled (Lisbon)	All 9 th EDF funds to be committed
	Annual Report on EC Aid	2 nd European Development Days	Conclusion of EPAs Scheduled
	UN High-level Dialogue on Financing for development (New York)	14 th ACP-EU JPA	

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