

What's on the EU Agenda for Dóchas members in 2008/2009?

A Dóchas Briefing paper¹

September 2008

This document presents some of the core issues on the EU development agenda of interest to Dóchas and Dóchas members. It looks back over 2008, as well as forward, covering the remaining months of 2008 and 2009 setting out what each topic refers to, relevant events in 2008 and expectations for 2009.

In this paper, Dóchas illustrates that there are a number of key issues that Irish Development NGOs will need to engage with over the next couple of months. These are in particular:

- The European Parliament Elections;
- Political (EP) oversight of assistance under the EDF and EU budget;
- Preparations for 2010, European Year for Combating Poverty.

1. Politics: The Big Picture

1. The Lisbon Treaty – Which way for the EU?

The Treaty of Lisbon, also known as the Reform Treaty, is a treaty designed to streamline the workings of the European Union with amendments to the Treaty on European Union (Maastricht) and the Treaty establishing the European Community. The stated aim of the treaty is "to complete the process started by the Treaty of Amsterdam and by the Treaty of Nice with a view to enhancing the efficiency and democratic legitimacy of the Union and to improving the coherence of its action" – a treaty to strengthen cooperation between member states and to present a stronger block to the world at large.

Under the Treaty and during the current French Presidency three top posts were due to be appointed:²

- the new full-time President of the EU Council (also expected to represent the Union Internationally)
- the President of the European Commission
- the new High Representative for Foreign Affairs and Security Policy. This representative would also be a vice-president of the Commission and would be supported by the prospective European External Action Service.

The treaty was to open the door to new members: under the current arrangement stipulated in the Nice Agreement, the EU and its institutions can include 27 members at most.

Though the ratification process of the Treaty has continued in the remaining member states opinion is divided as to whether the Treaty can come into force without the signature of each of the 27 member states.

¹ Dóchas would like to acknowledge ECDPM as an importance source of materials for this paper.

² See Dóchas briefing paper, at http://www.dochas.ie/documents/Reform_Treaty_paper.pdf

On June 12th, Irish voters rejected the treaty 53% to 47%, plunging the EU into a crisis.

The Irish government is intimating that a second Referendum may be held which will address the outstanding concerns that the Irish public has with the Treaty (including the loss of an Irish Commissioner). Possible scenarios could include:

- Opt-outs for Ireland being introduced,
- Changing the number of Commissioners under the new Treaty.
- Declaring the Treaty dead - this would result in the EU continuing to operate under the institutional framework of the Nice Treaty;
- Continuing with a new Treaty without Ireland, with Ireland continuing under the current Nice Treaty framework.

The Irish government is expected to present its proposal for a resolution of the issue to the European Council on 15 October.

2. European Elections – Uncertainty in the shadow of Lisbon

Elections to the European Parliament will be held from 4 June to 7 June 2009 in the 27 member states of the EU. Nearly 500 million Union citizens will elect MEPs by proportional representation.

The European Parliament has a crucial role to play in EU development policy – together with the European Council it decides on budgets, scrutinises strategies and programmes, and raises issues with the European Commission.

A certain amount of uncertainty now surrounds the 2009 elections as a result of the rejection of the Lisbon Treaty in Ireland. If the treaty is not ratified in all member states in time for the June elections, the Nice Treaty will continue to apply. This will have a direct impact on the number of seats allocated, which in turn could disrupt the organisation of the elections at national level as it could become unclear how many seats will be up for grabs.³

The number of MEPs and the powers of the Parliament have increased substantially with each new Treaty. The co-decision procedure (where Parliament legislates on an equal footing with the EU Council of Ministers) is today extended to almost all areas of EU policymaking.

The Parliament, as well as increasing in size, has also grown to be more confident and assertive. This was most clearly demonstrated when in 1999 the Parliament forced the resignation of the Santer Commission, and more recently when it faced down the Commission on plans to water down the EU's development cooperation mandate.

In theory, all this should make the relevance of European elections self-evident. However the electoral turnout has decreased across Europe (with the exception of Ireland which has seen an increase in turnout in the last two elections).

CONCORD, in its Manifesto for the Elections⁴ urges MEPs to act on three essential EU objectives

- 1) sustainable development with particular attention to climate justice and gender issues

³ Seats are divided proportionately to the population of each member state. Each country has a set number of seats, the maximum being 99 (Germany) and the minimum five (Malta). The current number of MEPs (785) exceeds the agreed maximum under the current (Nice) treaty. Under the current treaties (Nice Treaty), the total number of seats will be brought down to 736 after the 2009 election. However, if the Lisbon Treaty is ratified, the new total will be 751.

⁴ 'The European Union and its Responsibility in the World, CONCORD Manifesto for the 2009 European Parliament Elections'.

2) more and better development aid - including: a scale up to reach the agreed 0.7% GDP for ODA by 2015 and publishing a binding year-on-year delivery timetable; the phasing out of economic policy conditionality ; respect for the centrality of human rights, social justice & environmental sustainability which are absent from the Paris Declaration

3) democratic accountability – the EU should radically improve democratic accountability both to European citizens and to those in developing countries. MEPs should ensure that institutional reforms designed to make the EU more democratic, transparent and open for its citizens, are implemented. The EP Committee on Development should be primarily responsible for overseeing the EU's development cooperation in all parts of the world and for monitoring other external affairs areas to ensure that policy is coherent as regards sustainable development.

3. A New Commission

After the 2009 European Parliament elections, a new Commission will be formed, and a new President will be appointed.

The President of the European Commission is the head of the European Commission, the executive branch of the European Union. The post was established in 1957 and is appointed by the European Council and European Parliament for five year terms.

In Ireland, there is speculation that former Taoiseach, Bertie Ahern, is interested in the post. The current President is José Manuel Barroso, who took office towards the end of 2004. He is a member of the European People's Party and is the former Prime Minister of Portugal.

The role of President is to give political direction to the Commission and represent it externally. The President leads a college of 26 other European Commissioners, one from each European Union member state (less the President's state), to whom the President assigns a portfolio.
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4. Doha failure

In July 2008, the Doha Development Round ⁵ collapsed, primarily over the issue of farm import rules. The major differences were between a block led by developed nations (EU, US & Japan) and developing nations led by India, China, Brazil and South Africa. There were also impasses between the EU and US over US farm subsidies. In particular, there was insoluble disagreement between India and the United States over special safeguard mechanism (SSM), a measure designed to protect poor farmers by allowing countries to impose a special tariff on certain agricultural goods in the event of an import surge or price fall.

Some ACP countries have seen the collapse as an opportunity for developing countries to reassess their priorities and to achieve them through pushing the EU to sign EPAs that are more genuinely development-oriented trade agreements.

Several countries have called for negotiations to re-commence. This process is being led by Brazil together with Pascal Lamy, Director General of the WTO.

⁵ The World Trade Organisation conducts World Trade Negotiations in a series of Rounds. The aim of the Rounds is to increase world trade by reducing trade barriers internationally. The latest Round began in Doha, Qatar in 2001.

2. The EU's Work Programme for 2009

The EU's work is determined largely by the agenda of the rotating Presidencies, and by the Commission's Work Plan.

1. European Presidencies 2008-2009

The French, Czech and Swedish Presidencies presented their joint 18 month programme on 30th June 2008. Headlines of the programme include:

Internal Relations

- Development of the Union - Implementation of the Treaty, Enlargement, Review of EU Spending & Resources, Transparency
- Integrated Energy & Climate Policy
- Sustainable Development
- Environment
- Area of Freedom, Security & Justice –Integration & intercultural dialogue; countering terrorism.

Upcoming EU Presidencies

France	(July-Dec 2008)
Czech Rep.	(Jan-June 2009)
Sweden	(July-Dec 2009)

External Relations

- European Security Strategy
- Non Proliferation & Disarmament
- Multilateral cooperation
- Human Rights & the Rule of Law
- Trade
- Development Policy & Policy Coherence for Development

More specifically in relation to Development issues, the programme includes:

Africa

- Joint-EU Africa Strategy and its Action Plan, with special emphasis on peace & security, development, energy, climate change, trade, human rights, democracy.
- The issue of food prices and its consequences will be addressed.
- Continuation of negotiation and implementation of the Economic Partnership Agreements with ACP countries in Africa.
- Continuation of promotion of peace & security in Africa through support of stabilization & reconciliation processes.
- Conflicts in Sudan, Chad, Somalia. Situation in Great Lakes Region and recovery from conflict in West Africa.

Latin America/Carribbean

- Implementation of the 5th EU/Latin America & Carribbean Summit, Lima.
- Negotiations to conclude association agreements with Mercosur & Central America.
- Relations with EFTA to be strengthened.

2. Commission work programme 2009

For its part, the European Commission included the following priorities in its workplan for 2009, under the overall heading of "promoting prosperity, solidarity, freedom & security, and a stronger Europe in the world":

- Treaty of Lisbon – Follow up and implementation (including creation of an External Action Service).
- Negotiations of the next UN Global Energy & Climate Change Agreement (post Kyoto), due by the end of 2009.⁶
- Development of a common immigration policy – 2009 will be the first full year of operation for the European Migration Network of National Contact Points.
- Implementation of the Joint Africa/EU Strategy and the first Action Plan
- Implementation of Economic Partnership Agreements and completion of negotiations to cover all African, Caribbean and Pacific (ACP) countries
- Implementation of the Aid Effectiveness Agenda
- Association Agreements with the Andean Community, Central America and Mercosur.
- Doha Round – Plans to implement the Doha Development Agreements will have to be revised due to the 11th hour failure of the negotiations.
- Second Report on Development Policy

The European Commission is the executive body of the European Union. It is the institution that initiates Community legislation, runs European common policies, implements the budget and ensures compliance with the treaties.

2009 is the last year of the current Commission's mandate.

3. General Affairs Councils

The General Affairs and External Relations Council (GAERC) is one of the oldest configurations of the Council of the European Union. It holds separate meetings on General Affairs and on External Relations respectively. Meetings bring together the Foreign Ministers of the Member States. Ministers responsible for European Affairs, Defence, Development or Trade also participate depending on the items on agenda.

At its sessions on External Relations, the Council deals with the whole of the Union's external action, including Common Foreign and Security Policy, European Security and Defence Policy, foreign trade and development cooperation.⁷

A priority in recent years for the Council, in cooperation with the European Commission, has been to ensure coherence in the EU's external action across the range of instruments at the Union's disposal.

The next GAERC with a specific Development focus will be in October 2008, followed by a Development GAERC in April or May 2009.

3. EU Development Cooperation

Despite a major simplification in recent years, EU Development policy remains a complex constellation of agreements and mechanisms, with varying degrees of parliamentary oversight.

⁶ 'Work on how to assist with adaptation to the impacts of climate change will be taken forward to help Europe prepare for change in a wide variety of policy areas and help international partners – notably developing countries – to meet internationally agreed objectives'.

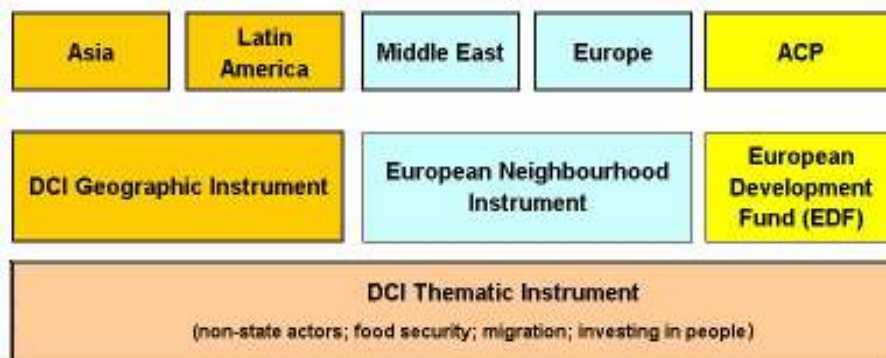
⁷ Under the proposed Treaty of Lisbon, the external relations configuration would be separated from general affairs and be headed by the High Representative of the Union for Foreign Affairs and Security Policy rather than operate under the rotating Presidency of the Council of the European Union.

The legal basis for EU aid is laid down by the Council of Ministers, which has approved a series of “Instruments” and Agreements that give the EU institutions defined roles in development policy and funding.



For Development NGOs, particularly the Development Cooperation Instrument (DCI), the Humanitarian Assistance Instrument and the Cotonou Agreement (regulating relations between the EU and the ACP countries) are of interest.

In short, the Development Cooperation Instrument (DCI) regulates the EU’s development assistance to the countries of Latin America and Asia, while the Cotonou Agreement applies to the countries in Africa, the Caribbean and the Pacific (ACP). However, in practice, also some of the thematic instruments under the DCI apply to other regions: EU funding of NGOs, for instance, is regulated by the Non-State Actors (NSA) instrument, which applies to all developing countries.



These arrangements come to an end in 2013, when the entire system will be reviewed.

1. Mid-Term Review of Country Strategies

a) European Development Fund: 2008-2013

The 10th European Development Fund (EDF) entered into force on July 1, making €22.682 billion available in aid for ACP countries. The bulk of support is for European Partnership Agreements (EPAs) and economic and trade integration, while 40% will be general budget support. While some funds of the 10th EDF have been set aside for

unforeseen needs, most are being programmed in a multi-annual framework for 2008-2013. Specific programming guidelines have been elaborated for national and regional programming and for intra-ACP programming.

Country strategy papers, regional strategy papers and an intra-ACP strategy paper have been adopted by the Commission. Their implementation will be annually monitored and the strategies will be reviewed at mid-term (2010) and at end-of-term (2012). As a result of these mid-term or end-of-term reviews, the Commission may, on behalf of the Community, revise the strategies and resource allocation in the light of the current needs and performance of the ACP states or regions concerned.

The European Development Fund (EDF) is the main instrument for European Community aid for development cooperation in the ACP countries and the Overseas Countries and Territories (OCT). It provides for technical and financial assistance on a regional or country specific basis. The fund is agreed by Member States for 5 year periods, and each replenishment is agreed and ratified by all member states.

Discussion continues on regional strategy papers, which should be concluded in October. There is still no firm commitment to development cooperation finance beyond the EDF. However, EPA texts state that both sides have an obligation to give priority to EPA implementation. This is the first time bilateral support has been promised in an EU agreement and is an obligation of intent for member states to provide this support.

Crucially, the European Parliament has no formal role in any of these processes relating to the EDF. As a result, transparency and accountability in this area of EU decision-making is problematic.

b) Asia and Latin America: 2007-2013

Unlike the EDF, the timeframe for funding of EU aid to countries in Asia and Latin America (ALA) is 2008-2013. And unlike the EDF, the review of ALA country strategies does involve the European Parliament.

But the issue of the Review is similar to the EDF: A review will take place in 2013, and Country Strategies are currently undergoing a mid-term review.

2. EU-Africa Strategy

The EU-Africa Strategy, adopted in December 2005, represents the first single policy document providing an overall reference point for all EU cooperation with Africa. The purpose of the Strategy was to give the EU a comprehensive, integrated and long-term framework for its relations with the African continent. The Strategy and its accompanying Action Plan (2008-2010) are embedded in 8 Partnerships:

- Peace & Security
- Democratic Governance and Human Rights
- Trade, Regional Integration and Infrastructure
- Millennium Development Goals
- Energy
- Climate Change
- Migration, Mobility and Employment
- Science, Information Society and Space.

The First Action Plan of the Africa-EU Joint Strategy has a timeframe of 3 years (2008-2010) with a review process at the next Africa-EU Summit in 2010⁸. In October 2009, the European Commission will present its Communication on progress under the Partnership, which will be considered at the December Council meeting.

3. EU-ACP Economic Partnership Agreements (EPA) Negotiations

The European Partnership Agreements (EPAs) are regional trade agreements between the European Union (EU) and African, Caribbean and Pacific countries (ACPs). Thirty-five countries in seven ACP regions signed up to EPAs in December 2007.

The EPAs were born out of a realisation that the EU's system of trade preferences for ACP countries was not compliant with World Trade Organisation (WTO) rules, and had largely failed to boost economic activity in the participating countries.⁹ The EPAs were intended to go beyond simply complying with WTO rules, and rather be instruments for development and trade. They aimed to promote regional economic integration within certain ACP zones, by reducing trade barriers, and increasing ACP flexibility to integrate economically with the EU.

The EPAs came under sustained criticism, among others for their failure to support economic diversification in ACP countries, and for promoting regional integration in artificially constructed regional groupings. Also the pressure put on ACP countries by the EU to agree to the EPA system has been severely criticised.

Signature for the interim agreements is expected in the autumn of 2008, or early 2009. However, the failure of the Doha Development Round in the WTO has emboldened developing countries to resist EU pressure to comply with EPAs.

The World Trade Organisation conducts trade negotiations in a series of Rounds. The aim of the Rounds is to increase world trade by reducing trade barriers internationally. The latest Round began in Doha, Qatar in 2001, and was billed as a Development Round, which would focus specifically on the needs of poor countries.

In July 2008, the Doha Development Round collapsed primarily over farm import rules, and special safeguard mechanisms (SSM) designed to protect poor farmers by allowing countries to impose a special tariff on certain agricultural goods in the event of an import surge or price fall.

Some ACP countries have seen the collapse as an opportunity for developing countries to reassess their priorities and to achieve them though pushing the EU to sign EPAs that are more genuinely development-oriented trade agreements.

4. Aid Effectiveness

The international aid effectiveness movement began taking shape in the late 1990s, when donors began to realise the costs they imposed on aid recipients by their many different approaches and requirements. They began working with each other, and with partner countries, to harmonise these approaches and requirements.

⁸ Every two years, from December 2006, the European Council, will consider the progress in implementing the Strategy based on a Progress Report to EU Member states presented by the Commission.

⁹ Under the 1976 system of preferences for least developed ACP countries, accredited countries were accorded one way access to EU markets, whilst being protected from European competition at home. Faced with the imminent expiry of the WTO waiver for the EU and the ACP were given until the end of 2007 to implement new arrangements that will fit in with WTO rules.

Since the 2002 International Conference on Financing for Development in Monterrey, and the 2005 Paris high-level meeting, donors have continued to focus on harmonising aid assistance and focusing on aid effectiveness.

The 2008 Monitoring Report on the Paris Declaration released at the end of August, has shown disappointing progress by donors on almost all of the Paris Declaration indicators and targets.

The Accra High-Level Forum on Aid Effectiveness (2-4 Sept 2008) was intended to serve as a mid-term review of progress on the implementation of the Paris Declaration¹⁰. In addition to stock-taking the event was to provide an opportunity to broaden and deepen dialogue on aid effectiveness by giving space to new actors (including CSOs and non-DAC donors) and to identify required actions and bottlenecks that need to be overcome to implement the Paris Declaration.

There has been disappointment with the outcome of the Forum which appears to have fallen short of its goals. Despite stated support by many participants for aid transparency and accountability, the forum's communiqué, the Accra Action Agenda, ultimately fell short on specific time lines and concrete commitments to increase accountability and transparency in the development process.

The document does include improved language with governments committing to making progress on how they use the systems of recipient countries as well as a strong acknowledgement of the role of civil society organisations and parliaments in the aid system.

While the EU pushed for stronger changes it was thwarted by Japan and the US, however the EU has committed to continue its programme unilaterally. Ireland played a major role in the EU position and NGOs should continue to put pressure on the EU to live up to this commitment.

A meeting in November, in Doha, will focus on quantity and the gap between pledges and actual remittances.

4. Other Important Events on the EU Agenda

1. "Health Check" of the EU Agriculture Policy

On 20 November 2007 the Commission adopted the Communication "Preparing the Health Check of the CAP reform". According to the Commission, "the idea behind the Health Check is not to re-invent or re-reform the Common Agricultural Policy (CAP), but to assess if it is working as well as it could in a larger European Union and in a shifting international context. The Health Check is therefore not a major reform but an effort to streamline and to modernise the CAP."

The Commission has proposed modifications in three main areas: Direct aid system, market instruments and rural development policy. NGOs are arguing that the reform debate should also include measures to reshape the CAP in an era of higher world food prices.

¹⁰ The 2005 Paris Declaration set out principles of ownership, alignment and harmonisation.

2. Policy Coherence

In recent years, the European Union has recognised that it can have a greater impact on global poverty if its external policies support the objectives of its aid programmes. The Maastricht Treaty set out the principle of Policy Coherence, and the Union's obligations to ensure "Policy Coherence for Development" by taking an integrated approach to external relations, security, economic and development policies. This includes the need to take account of development objectives in all activities likely to affect developing countries.

In 2005, the Commission published a Communication on "Policy Coherence for Development - Accelerating progress towards attaining the Millennium Development Goals" [\[COM\(2005\) 134\]](#), in which it identified 11 areas where the challenge of achieving "synergies" with Development is particularly relevant.¹¹

These 11 areas of focus for the Policy Coherence debate are:

- Trade
- Environment
- Security
- Agriculture
- Fisheries
- Social dimension of Globalisation
- Migration
- Research & Innovation
- Information Society
- Transport
- Energy

In September 2007, the Commission adopted its first Report on Policy Coherence for Development, highlighting the interactions and complementarities between development policy and twelve other internal and external EU policies that have an impact on developing countries.

3. G8 meeting in Italy

Each calendar year, the responsibility of hosting the G8 Summit rotates among the participating states.¹² The holder of the presidency sets the agenda, hosts the summit for that year and determines which ministerial meetings will take place. Japan held the G8 presidency in 2008, and Italy is due to hold it in 2009.

The G8 Summit in July 2008 addressed a number of issues of direct relevance to Development. The G8 leaders reaffirmed previous promises to provide \$50bn in new assistance, half to Africa, by 2010 –

The Group of Eight (G8) is an international forum which brings together the heads of state of the richest industrialised countries (Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, the United States) and the European Union - but the EU does not have the right to host or chair a meeting.

¹¹ This Communication, together with the Communications on [financing for development](#) and on the [importance of Africa](#), was part of the EU contribution to the MDG Review at the UN High Level Event in September 2005.

¹² G8 ministers also meet throughout the year, such as the G7/8 finance ministers (who meet four times a year), G8 foreign ministers or G8 environment ministers. The G8 plus the five largest emerging economies are known as G8+5 (currently Brazil, China, India, Mexico, South Africa) The G8+5 group was formed in 2005 when Tony Blair, in his role as host of the 31st G8 summit invited the leading emerging countries to join the talks. Leaders of major international organizations as well as other world leaders have also been invited to attend in the past; and this practice is expected to continue

although it offered no details on who would do what to reverse the decline in aid since 2006. It also repeated the promise it made 12 months ago to spend \$60bn for health – however, the timing was not specified and the clarity of purpose remained vague.

The G8 agreed on the need for the world to cut carbon emissions by at least 50 percent by 2050 – but provided no agreed baseline year or mid-term targets – and a \$6bn pledge to the World Bank for climate investment funds that will come out of existing aid budgets.

The G8 leaders also promised to reverse the decline in aid to agriculture – but without any numbers – and to support the UN's plans to tackle the food crisis. It also pledged to ensure that biofuels would be produced in a way that would be compatible with food security.

The 35th G8 summit is to take place in Maddalena, Italy, in July 2009, with Africa and Climate change set to feature on the agenda. Countries such as Ireland can influence the Summit through their representation by the European Commission President.

4. Climate Change Conference, Copenhagen

In November and December 2009, the 15th conference of parties (COP15) in the Framework Convention on Climate Change will take place in Copenhagen.

Interestingly, half of the countries in the top-15 of greenhouse gas emitters will hold elections between now and the Copenhagen Summit – an excellent chance for NGOs to put climate issues on the political agenda.

5. European Development Days

The European Development Days (EDD) is European Commission initiative, undertaken by the Commissioner for Development & Humanitarian Affairs (Louis Michel) and the Directorate-General for Development and Relations with the African, Caribbean and Pacific States. It aims to generate publicity and support for development cooperation by raising public and media awareness, and by giving visibility to the role the EU has taken in this field over the past fifty years.

The first Development Days took place in November 2006 and focused on Governance. More than a thousand European decision-makers, members of civil society, and development experts participated. In 2007, it focused on Climate Change.

The 2008 EDD, taking place on 15-17 November in Strasbourg, will focus on the role of local authorities and the local dimension to development.. Media and development which will also be the subject of a Forum in Burkina Faso in September will also be on the EDD agenda.

Dóchas members wishing to attend the Development Days should notify the Dóchas Secretariat.

6. Preparations for 2010: EU Year for Combating Poverty and Social Exclusion

This paper has set out the reasons why 2009 will be an important year for Development. One final reason is that 2009 is the year in which the EU will prepare for a number of important events in 2010.

That year will not only be the European Year for Combating Poverty and Social Exclusion, but will also include a number of important events, such as:

- Installation of a new European Commission;
- International MDG+10 Conference;
- Mid-Term Review of the European Development Fund;
- EU-Africa Summit.