



# EU NEWS

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## Content:

### EU Development Policy

- [What's in Commissioner Piebalgs' Agenda for Change and in the new approach on EU Budget Support](#)
- [Agenda for Change: reflecting existing trends or a real change?](#)
- [Aid effectiveness: EU and civil society get prepared for Busan](#)
- [MFF: While the EC prepares proposals for aid instruments, EU Member States discuss the level of EU Budget and the way it is resourced](#)

### EU Sectoral Policies

- [Climate Change: From Panama to Durban: one-way ticket?](#)
- [Post 2013 CAP legislative proposal ignores EU's external responsibility and PCD](#)

### EU relations with third countries

- [The EU Sahel strategy or how EU security interests take precedence on local development](#)
- [EU support to Honduras: Security sector programme without ownership](#)

### EU Funding for Development

- [A new Civil Society Facility for the neighbouring countries](#)

### News from the Networks

- [CONCORD launches its second spotlight report on PCD](#)
- [News from APRODEV](#)
- [News from CIDSE](#)

## EU DEVELOPMENT POLICY

### What's in Commissioner Piebalgs' Agenda for Change and in the new approach on EU Budget Support

On 13 October, the European Commission adopted a communication: [Increasing the impact of EU Development Policy: an Agenda for Change](#).

**As explained in the Communication, the Agenda for change is supposed to lead to:**

- an increased share of EU country and regional cooperation programmes dedicated to human rights, democracy and good governance and to inclusive and sustainable growth;
- the concentration of EU activities in each country on a maximum of three sectors;
- an increased volume and share of EU aid to the countries most in need (including fragile states ) and where the EU can have a real impact through a differentiated approach to aid allocation;
- enhanced importance of human rights, democracy and good governance trends in determining the mix of instruments and aid modalities at country level;
- continued support for social inclusion and human development through at least 20% of EU aid;
- a greater focus on investing in drivers for inclusive and sustainable economic growth, providing the backbone of efforts to reduce poverty and including new ways of engaging with the private sector;
- a higher share of EU aid through innovative financial instruments, including under facilities for blending grants and loans;
- a focus on helping reduce developing countries' exposure to global shocks such as climate change, ecosystem and resource degradation, and volatile and escalating energy and agricultural prices, by concentrating investment in sustainable agriculture and energy;

- tackling the challenges of security, fragility and transition;
- joint EU and Member States response strategies based on partners' own development strategies, with a sectoral division of labour;
- a common EU results reporting framework.

The Communication is rather short and **lacks ambition with regard to Policy Coherence for Development and Development Finance** issues. However on 25 October, the [Proposal of a Directive modifying the Transparency Directive](#) was adopted by the EC with the following joint statement by Commissioner Piebalgs and Barnier: *'Today, by adopting legislative proposals for the transparency and accounting directives, requiring the disclosure of payments to governments on a country and project basis by listed and large non-listed companies with activities in these sectors, the Commission is delivering on its commitments. These new measures will improve sustainable business among multinationals active in the oil, gas, mining or logging sectors. It will play a **groundbreaking role in the better management of natural resources and in the increase of domestic fiscal resources** available to provide basic social services to the citizens. **This new legislation will be a strong contribution to the Agenda for Change** of European Development policy which aims at equipping Developing countries with the tools to foster sustainable and inclusive growth.*

We understand that the main principles of the 12-point Agenda for Change will be progressively reflected in the remainder of the current programming cycles, and then in future EU instruments and programming. **More detailed communications on certain aspects of the Agenda for Change – on social protection and on the role of civil society - will be adopted in 2012.** The Commissioner's intention seems to be to implement his Agenda for Change through existing and future EC aid instruments without reviewing the EU Consensus on Development.

At the same time the EC adopted a communication on the [Future approach on EU Budget Support to developing countries](#).

The Commission intends to make budget support more effective and efficient in delivering development results by strengthening the contractual partnerships with developing countries.

"**Good governance and Development contract**" will be set up for providing general budget support where the partner country can demonstrate a commitment to fundamental values. The EU will strengthen the eligibility criteria for GBS and will put more emphasis on human rights, democracy and the rule of law through a focus on dialogue with partner countries, creating incentives for reform and asking countries to commit to fundamental values.

The promotion of sector service delivery will go through "**Sector reform contracts**". Sector budget support remains a useful tool even when the conditions do not exist to permit the use of a Good Governance and Development Contract.

Budget support will also be used in fragile countries on a case by case basis to ensure vital state functions and support the transition via "**State Building contracts**".

Budget support should also promote transparency and contribute to the fight against corruption and fraud, and help countries to build their own financial resources, in order to reduce dependence on aid in the long run.

**In spring 2012, the Commission will ask EU Foreign Ministers to endorse the new EU budget support approach.**

More [here](#)

### **Agenda for Change: reflecting existing trends or a real change?**

At a time when the European institutions are reviewing their cooperation and aid instruments and discussing changes in development policy, it is quite interesting to have a look at past and present EC external assistance to judge whether the changes proposed are really new or only a reflection of existing trends.

Global figures, including the European Development Fund (EDF), show that **total commitments of EC external aid were lower in 2010** (€ 11 107 million, 8% of the EU Budget) than in the two previous years (€12 827 m in 2008 and €12 298 m in 2009, equivalent to 9% of the EU Budget) and that the decrease concerns both the European Development Fund (EDF) and the EU Budget. Not surprising is the decrease in commitments for General Budget Support (GBS) considering that these commitments are multi-annual and were more substantial at the beginning of the programming period. More surprising is the decrease observed in commitments for economic infrastructures while social infrastructures are stable since 2007 around €4 billion corresponding to 35 to 40% of the total ODA.

#### **Budget support**

A more in-depth analysis of EuropeAid's annual reports shows that **General Budget Support (GBS) is the preferred aid modality for the ACP countries** (€395 m for GBS and €277 m to SBS) **while Sectoral Budget Support (SBS) is favoured in all other regions** (€393 m for SBS and no GBS in Asia and Latin America). The choice between the two aid modalities seems to be guided by EU political and administrative reasons rather than by an in-depth analysis of the pros and cons and the overall conditions and factors influencing their impact on development and poverty.

**These differences in aid modalities greatly influence the sectoral breakdown of aid.** In Asia and Latin America, disbursements in social infrastructures<sup>1</sup> represent 63% of ODA, more than the double of the percentage in the ACP (28%). This is partly due to the fact that GBS is not assigned to a specific sector and is accounted separately from social sectors even when the money is used to support these sectors by ACP governments.

In response to strong demands from the European Parliament and the Member States to reduce financial risk, **the EC intends to strengthen the contractual nature of budget support while maintaining existing political and economic conditionalities** (including macro-financial stability) and reinforcing them with more control on the commitments on human rights, democracy, fight against poverty and budgetary and fiscal efficiency as well as transparency. **A logical consequence seems to be a lower level and a less systematic use of GBS in ACP countries.** Whether poor populations will be the real beneficiaries of that new approach will very much depend on alternative aid modalities that will be put in place. By combining the principles of ownership, alignment and predictability with a sector wide policy and system approach, SBS is probably the best alternative to GBS in the ACP. But what is the alternative to SBS in Middle Income Countries (MICs) of Asia and Latin America; blending loans and grants? An effective implementation of both GBS and SBS requires good standards in public finance management, democratic ownership, accountability and transparency. From that point of view, **what is missing in the communication on Budget support is a firm commitment towards supporting the role of civil society** in political and policy dialogue and in holding governments and administrations accountable. This is even more disappointing knowing that the EC itself produced an in-depth study and practical guidelines on the way to involve civil society in new aid modalities<sup>2</sup>.

### **Country differentiation**

The Agenda for Change defends the idea that **a differentiated EU approach to aid allocation and partnerships is key to achieving maximum impact and value for money.** The immediate consequence is that *grant-based aid should not feature in geographic cooperation with more advanced developing countries already on sustained growth paths and/or able to generate enough own resources.* First target of this new approach are the Middle Income Countries, which constitute the majority of countries covered by the DCI and ENPI.

**In 2009, aid to MICs represented 15% of ODA to the ACP countries, 52% of ODA to the DCI countries and 100% of ODA to the ENPI countries.** Some of the MICs of Asia and Latin America receive very little aid from the EC (Malaysia got €5.5 m and Mexico €12.3 m in 2010). **Total EC aid to Brazil, India and China (part of the BRICS) amounted €85.9 m** in 2010 which represents less than 0.1 euro per capita. Cutting aid to these 3 countries will not make a big difference neither for the EC nor for their own budget. Still the EC and Member States always use the example of these 3 countries to explain and justify the differentiation principle.

The combined population of five countries that recently graduated as MIC (China in 1999, Indonesia in 2003, India in 2007, Nigeria and Pakistan in 2008) is about 3 billion people and they are home to about 70% of the world's poorest people. It is clear that business as usual with these countries is not an option but it doesn't mean that cooperation with these countries to fight domestic and global poverty should be simply abandoned. On the contrary, it is high time to build partnerships based on shared values, mutual respect, reciprocity and co-funding with these countries. Closer to the EU, the cases of Tunisia and Egypt demonstrate how important it is for the EU to focus on human and social development in its cooperation with MICs rather than expecting that rights, jobs, social protection and well-being will simply derive from an increase of GDP and growth.

Differentiation will obviously represent **a radical shift in the way aid is disbursed in lower MICs of Asia and Latin America.** This assumption is reinforced by the fact that the EC intends to put priority on cooperation with Africa and with the neighbourhood countries. Already in the 2011 and 2012 budgets and in the framework of the reviewed ENP policy, the EC is proposing to transfer funds allocated to certain MICs of Asia and Latin America (i.e. Mexico, Venezuela, Brazil, India and Thailand) to the ENPI budget.

**The real impact of the new differentiation approach is however difficult to judge** as there is no definition of what a 'more advanced developing country is' and it is not clear with what hierarchy the criteria listed in the communication will be used (needs, capacities, commitments and performance and EU added value,...). The

<sup>1</sup> According to OECD DAC definition: Social infrastructures: education, health, water, government and civil society, other

<sup>2</sup> [http://capacity4dev.ec.europa.eu/system/files/file/30/06/2011\\_-\\_1145/engagingnonstateactors\\_en.pdf](http://capacity4dev.ec.europa.eu/system/files/file/30/06/2011_-_1145/engagingnonstateactors_en.pdf)

great variety of economic, social and political situations prevailing in Middle Income Countries makes us **sceptical about the capacity of the EU to put in place a fair and effective system that respects the Lisbon Treaty and the EU Consensus on Development** with the risk that, in the end, the decision becomes a political one based on historical relations and EU and Member States own interests.

### **Blending loans and grants**

Another trend related to the Agenda for Change is the growing share (26% in 2008, 32% in 2010) of EC ODA managed outside the direct control of EuropeAid (now DG DEVCO) by other DGs including those dealing with internal policies and defending EU interests. Most of these funds are part of the Pre-accession instrument and allocated to the candidate countries but quite noticeable is the **EU Guarantee Fund** managed by DG Economic and Financial affairs to guarantee EIB lending operations in third countries. It originates from the External Action Budget and in the presentation of the 2012 EU Budget one can read: *The provisioning of this fund is set at EUR 260,2 million. This is EUR 60,2 million higher than the EUR 200 million originally foreseen in the financial programming for 2012, due to the strong increase of net disbursements by the European Investment Bank. ... The budgetary needs for provisioning the Guarantee Fund are expected to follow the same trend in 2013, as the EIB net disbursements are strongly increasing.*

This perfectly reflects the **growing role to be played by the EIB and the blending of loans and grants in future EU cooperation with developing countries**. This shift is in fact already in motion in a region like Central America. **The Latin America Investment Facility** launched in 2010 and financed with regional and national envelopes (in Nicaragua 50 m€ originally allocated to Budget Support would be invested in the LAIF) is a perfect illustration of that move. **Each region benefits now from an investment facility**. The range of measures supported by grants under these facilities are technical assistance, feasibility studies, investment co-financing, equity participation, risk capital, interest rate subsidies, guarantees, insurance subsidies and incentive payments.

**Our conclusion is that the Agenda for Change will reinforce existing trends in EU aid and that it is probably in Latin America and in Asia that it will have the highest impact** by shifting aid from grants to loans and from social sectors to economic infrastructures, growth and possibly security. The future will tell us whether the long-standing partnership and objectives enshrined in the Cotonou Agreement will preserve MICs of the ACP group from changes in aid levels and modalities suggested by the Agenda for Change. Cooperation with South Africa (one of the BRICS) is still very much focused on social sectors through Budget Support. [A new 126 million programme to fight HIV-AIDS](#) was signed in September. For more information contact [k.sohet@aprodev.net](mailto:k.sohet@aprodev.net)

### **Aid effectiveness: EU and civil society get prepared for Busan**

**The European Parliament (EP)** adopted this Wednesday 26 October its report on aid effectiveness that demands much more ambitious reforms than the European Commission has proposed so far. [The report](#) is published just as EU Member State governments are currently negotiating the joint EU position for the Fourth High-Level Forum on Aid Effectiveness (HLF4) that will take place in Busan, South Korea from 29th November to 1st December this year.

The report calls for further progress to empower developing country's people and democratic institutions; and emphasises that donors' procurement practices need to be reformed to boost aid's economic impact and drive inclusive growth. The Member States will adopt the EU position at the Foreign Affairs Council on 14 November. It will be informed by an [EC communication](#) published in September and [commented by CONCORD](#) Aid Watch group.

In general, **NGOs welcome the support of EU member states** for some of the critical elements of the 'Busan Outcome Document' in preparation and for the importance of strengthening country level implementation and mutual accountability processes, further pursuing alignment and use of country systems and addressing fragmentation of aid.

**However, they also deplore a lack of support and ambition in other key areas. What NGOs would like EU position to support and lead on is:**

- Full reaffirmation of the Paris and Accra commitments by a specific deadline, together with continued monitoring of their implementation
- Support by the EU to commitments on untying of aid and medium term predictability in line with draft 2 of Busan Outcome Document
- Publish information on aid to the [IATI](#) standard or in an IATI-compatible format by Dec 2015

- Support ambitious and concrete commitments on use of country systems, including improving the development impact of budget support by strengthening its focus on results for the poorest people, improving its accountability and scaling-up its use
- Identify basic standards for mutual accountability
- Explore opportunities for new and improved global monitoring indicators while maintaining existing indicators
- A more comprehensive approach to a clearly defined development effectiveness. Whilst important elements of a development effectiveness agenda (e.g. human rights, gender equality and democratic ownership) are identified by the EU MS, most are simply mentioned without any reference to how they will be addressed.
- Respect and implement policy coherence for development and make commitments on a civil society enabling environment non-negotiable
- Gender equality featured strongly as a principle, actionable priority area of focus and horizontal issue throughout all the Busan document
- Ambitious and concrete standards for the private sector to implement and report on. The position of EU MS fails to identify commitments for the private sector to match the greater emphasis being placed on its role in delivering and catalysing the impact of aid. The private sector must commit to meeting and reporting on their own set of standards, including adherence to existing international agreements and standards.
- A clear definition of what results and impact means
- Reaffirmation of the EU's aid commitments and support for providing additional finance for addressing the challenges of climate change

For civil society organizations, HLF4 is a particularly significant milestone as it marks the first time that **civil society will participate in great numbers and as a full and equal stakeholder** in aid effectiveness negotiations alongside governments and donors. It is thus a unique opportunity to influence development cooperation from the point of view of people's organizations and further the shift from a technical aid effectiveness approach to development effectiveness based on long term sustainability, addressing the root causes of poverty and the realization of human rights.

Over 4000 civil society representatives have endorsed the [Civil society key asks](#).

**A CSO event is being co-organized by BetterAid, the Korea Civil Society Forum on International Development Cooperation (KoFID) and the Open Forum from 26 to 28 November.**

APRODEV members and their partners will be present at the Busan HLF4 in the ACT Alliance delegation.

[ACT Alliance Key Messages on Enabling Environment for CSOs](#)  
[Shrinking political space of civil society action](#)

More on preparation of the HLF4 and CSO event on the [Open Forum website](#) and on the official side at [HLF4 website](#).

### **MFF: While the EC prepares proposals for aid instruments, EU Member States discuss the level of EU Budget and the way it is resourced**

The future scope and impact of EU policies will largely depend on the shape of the next MFF, the details of which are now under discussion, on the basis of the [European Commission's proposals](#) submitted in June (see *EU News 3*).

In the present political and economic context, it is not difficult to understand that the level of the future EU budget (2014-2020) is subject to difficult negotiations and that the word austerity appears more often in MS discourse than ambition or increase..

While the President Buzek of the European Parliament and Barroso of the European Commission join forces in [calling for a 5% increase](#) of the EU Budget, several Member State are strongly opposing any increase asking for a stabilisation at current level.

**France, UK, Germany, Italy, Sweden, Finland, the Netherlands and Austria clearly expressed their opposition to an increase** of the global EU budget.

It doesn't mean that these MS are also automatically opposed to an increase of the External Action and that they all agree on which budget heading should decrease or increase but it is clear that a stabilisation of the budget will have consequences on EC's ambitions. In the area of external action, EC's proposal is particularly ambitious with a total amount of €70 billion compared to the actual level of €56 billion.

**The budget level is not the only contentious issue**, how EU own resources should be raised is another key question. Here again the EP and the EC argue in favour of a new [system of own resources](#) based on three

main elements: the simplification of Member States' contributions, the introduction of new own resources (a new VAT-based system and an EU Financial Transaction Tax, FTT) and the reform of correction mechanisms.

While the Parliament and Member States position themselves with regard to the financial and budgetary aspects of the MFF, **the Commission services are preparing legislative proposals** for implementing the future EU political priorities.

In the External Action area, existing instruments will be maintained: Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for pre-Accession, Instrument for Stability, European Instrument for Democracy and Human Rights, Humanitarian Aid instrument and Civil Protection mechanism and Instrument for Nuclear Safety Cooperation as well as Macro-Financial Assistance. A new instrument called 'Partnership Instrument' will be established for cooperation with industrialised countries and non ODA-eligible measures implemented in cooperation with developing countries.

**The proposal for the 11<sup>th</sup> European Development Fund** that is supposed to enter into force at the same time as the new MFF is also under preparation. The EC suggested in its communication that the EDF should be kept separate from the EU budget but it seems that not all Member States share that view and that inside MS governments different ministries have different positions on that issue. It is clear that financial considerations greatly influence Member States' positions.

**All legal bases for External Action are expected by 7 December 2011.**

All official papers relating to the MFF, including draft legal basis are or will be available [here](#)  
APRODEV and CIDSE contribute to CONCORD work on the MFF, main CONCORD documents are available [here](#).

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## EU SECTORAL POLICIES

### Climate Change: From Panama to Durban: one-way ticket?

A week of formal United Nations climate negotiations in Panama ended with little progress. Though some common ground was found, a technical framework was initiated and some text was put forward there are still no concrete signs of a solution on the pressing issue — what to do after 2012, when the first period of climate finance expires and the pledges run out for rich nations to cut carbon emissions.

With less than a month left before the climate conference in Durban time is running out: The rich countries are playing a risky game with the climate regime, the Kyoto Protocol, and will not discuss how the financing of climate change should look like after 2012. Meanwhile climate change is already affecting humans all around the world. Action is urgently needed, but the money is missing.

#### Panama - State of play

The **negotiations on finance** in Panama were a success in so far that the discussion on finance was not blocked by the US (or one of the other usual suspects) and **a negotiating text was actually put on the table**. However as the fast-start finance period ends in 2012 new pledges for 2013 are urgently needed as well as clarity on a roadmap for the promised long-term finance (how to reach the USD 100 Bn annually by 2020) and from which sources the finance will come.

**Developing countries are increasingly expressing their doubts** about rich countries providing the necessary financial support to help developing countries cope with climate change, despite the promises. Trust is crucial for any progress in the negotiations – and the financial uncertainty and the unresolved issue of long-term finance thus remain a major obstacle to further negotiations.

In Panama **the EU put forward a text on long-term finance which undoubtedly lead to a more conducive atmosphere** within the negotiations and also showed a glimpse of the leadership EU is capable of. However, EU could take the full step and deliver a solid climate package for Durban including EU's fair share of the climate finance, a roadmap for the scaling up of finance as well as the identification of new innovative sources of income.

**The Kyoto Protocol (KP)** once again took centre stage at the negotiations in Panama indicating that reaching an agreement before the first commitment period of the protocol expires in 2012 will not be an easy task.

Old positions were redrawn in Panama; when Japan, Russia, Canada and the United States once more made clear that they are not willing to sign up to a second commitment period for the Kyoto Protocol. While many developing countries on the other hand rallied behind the Group of 77 and China insisting on not replacing the Kyoto Protocol with a voluntary pledge-and-review system.

**Once again the EU could play a leading role by reaching an agreement with the G77/BASIC group** at COP 17 and securing a legally binding second commitment period to the Kyoto Protocol. EU will then not only preserve the legally binding framework with emission reduction targets and timetables, but also help overcome the lack of trust that currently exist within the negotiations. At the recent European Council on October 23 the Union yet again declared its openness to a second commitment period of the KP but there is a significant 'if'. **The EU does not want to go alone** and wants a clear link to progress towards a comprehensive global climate agreement involving all countries.

It is true that the EU going into a second commitment period 'alone' will not lead to any major solution for the global climate threat here and now, but it could help unlock the negotiations from their current frozen state. **To play a waiting game at this stage is not the right tactic**, as there is simply not enough time left if we want to avoid a global climate disaster. A strong signal from the EU would not only show the rest of the world that the EU dares to lead, it will also put a strong moral pressure on the rest of the developed countries. The EU taking the first move could in other words have a spill-over effect that might bring the world more than one step closer to a global climate deal.

Durban is approaching and the countdown has begun – though Panama did not produce big results some progress was made and this creates a momentum that should not be wasted. EU does play an absolutely crucial role in the negotiations and has the chance to bring new dynamics to the negotiations and encourage other stakeholders to move forward. It has been said before but this does not make it less true; now is the time for EU to show leadership – not just a glimpse of it but the full Monty.

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### **Post 2013 CAP legislative proposal ignores EU's external responsibility and PCD**

On 12 October, the European Commission published its [plans to reform the Common Agricultural Policy \(CAP\) after 2013](#). This blueprint is presented in the EC press release as a way to *strengthen the competitiveness and the sustainability of agriculture and maintain its presence in all regions, in order to guarantee European citizens healthy and quality food production, to preserve the environment and to help develop rural areas*.

*In line with the other Commission policy initiatives for the period after 2013, the reformed CAP will make a decisive contribution to Europe 2020. It will fight against climate change, support employment and growth, promote innovation and enhance both the economic and ecological competitiveness of agriculture.*

**In a very simplified citizen's summary, the reform is presented as follows:**

- All aspects of the CAP should change to cope with the challenges mentioned above (climate change, food security and keeping rural economy alive)
- Direct payments to farmers will:
  - o better reflect the public service that farmers provide (e.g. efforts to protect the environment)
  - o help support farming even in the most disadvantaged areas
  - o be more fairly distributed, and aimed at active farmers.
- Market management tools will be simplified.
- Rural development policy will focus on increasing competitiveness and promoting innovation.
- New options will be introduced to help farmers cope with price and income volatility.

In fact, the CAP reform proposal entails financial and policy support measures ranging from market measures, public intervention and direct aid schemes, income support, to risk management and other. The combination of those instruments will lead to increased competitiveness and production for both European and export markets.

**However, the external dimension of the CAP has successfully been excluded from the CAP reform debate, pretending that CAP is only referring to internal matters.** This ignores, for example, the fact that the EU's dependence on imports of animal protein feeds contributes to deforestation and rural displacement in the developing world. EU net food imports presently require 35 million hectares of land outside Europe to be produced, equivalent to the entire territory of Germany. Also forgotten is the fact that financial support to farmers in Europe puts at a disadvantage farmers in the developing countries whose production is in competition with cheap products originating from the EU on the local market.

Only two remarks in the Commission's Communication for the reform refer to the global dimension: 1) the world future challenge of the food situation is taken as an opportunity to justify production increases in Europe and 2) the fear of cheap food imports that fail to meet EU's high food quality and safety standards are highlighted as a negative global impact.

A key recommendation by the UN Special Rapporteur on the Right to Food addresses this imbalance and calls for the EU to closely monitor CAP impacts on agricultural exports to developing countries and at the

same time to encourage net-food importing developing countries to rebuild and strengthen their agricultural sector.

The European Parliament as well has included a reference to the international responsibility of the CAP-Reform in its EP Resolution 'Towards CAP 2020' from July 2011: "**[The Parliament] urges the EU to be attentive to the situation in developing countries and not jeopardize food production capacity and long term food security in these countries and the ability of those populations to feed themselves, while respecting the principle of Policy Coherence for Development.**"

So far, there is no instance, policy tool or mechanism in the CAP reform proposal that translates the commitment to PCD into practice although concrete suggestions were made by CS actors, such as:

- **Including external impact in the regular CAP reporting and monitoring**, that is including a fourth indicator on consistency between the CAP and its development and trade policy, in particular monitoring the impact on the long term food security in developing countries and the ability of their populations to feed themselves in accordance with the principle of PCD.
- **Putting in place a grievance mechanism**, that is an EU internal complaint and mediation mechanism open to civil society actors and small scale farmers in the South in case there is undue prejudice of the interests by farmers of importing development countries.
- The CAP should go way beyond the defence of the interests of the European Food Industry in its external agricultural relations by:
  - including in the CAP budget **international capacity building programmes** in response to global regulative agreements in the area of food and agriculture to which the EU is a member ;
  - making EU positioning in all international negotiations for transparent and supportive of a **pro-poor and sustainable agricultural** development perspective.

The idea is not for the CAP to replace the EU's development cooperation and rural development policy, which supports food security in all developing countries with about €1,2 or €1,3 billion in 2010. Yet, the CAP is not only an important EU policy but also an important financial portfolio that amounted more than € 43 billion Euro of taxpayers' money in 2010 (36% of total EU budget). Both, because of its political importance and its financial weight, the CAP must take the global challenges on board in its own set of objectives and the CAP must be accountable on the impact it has on promoting food security and food sovereignty in developing countries.

APRODEV and CONCORD are now lobbying the Member States and the European Parliament along these lines.

For more information and papers on CAP reform, contact [K.ulmer@aprodev.net](mailto:K.ulmer@aprodev.net) and look [here](#).  
[EC website on the CAP after 2013.](#)

## EU RELATIONS WITH THIRD COUNTRIES

### **The EU Sahel strategy or how EU security interests take precedence on local development**

The Joint EC-EEAS paper, [European Strategy for Security and Development in the Sahel](#) was endorsed by EU Member States in March 2011. It is the first regional security strategy adopted since the establishment of the EEAS and provides a good example on how internal EU security concerns may influence the way EU development cooperation and funding is used and targeted.

Both the analytical and programming parts of the strategy focus exclusively on security issues and are very short at putting them in a broader context of development challenges and economic and political cooperation at regional level, in particular between the Maghreb countries and their Southern neighbours. There is no analysis of past and current EU cooperation and its possible impact, no 'do no harm' reflection, no in-depth analysis of the origin of the present problems and no discussion on opportunities and aspects of development not directly related with security.

**Indeed, the strategy is mainly a response to new urgent priorities with regard to EU security: preventing AQIM((Al-Qaida in the Maghreb) attacks and its potential to carry out attacks on EU territory, to reduce and contain drug and other criminal trafficking destined for Europe, to secure lawful trade and communication links (roads, pipelines) across the Sahel, North-South and East-West, and to protect existing economic interests and create the basis for trade and EU investment. Improving security and development in**

*Sahel has an obvious and direct impact on the EU internal security situation. It is therefore important to ensure and strengthen coherence and complementarity between internal and external aspects of EU security.* While recognising the regional dimension and the role to be played by other Sahel countries and Maghreb countries, in particular Algeria and Libya, in countering AQMI threats as well as drug and arms trafficking, **the EU strategy focuses on 3 countries only**, Mauritania, Mali and Niger and relies almost exclusively on EDF funding. Important regional actors like the ECOWAS and its crisis-response mechanism are mentioned but not as strong partners in the strategy and its implementation.

Mali and Niger which are both eligible for budget support and for an additional governance incentive tranche of 25% under the 10<sup>th</sup> EDF are qualified in the new strategy as *fragile states with fragile governance and unresolved internal tensions*. This seems to justify the fact that **the new strategy is formulated as an anti-terrorism programme without much connection with partner countries' policies and priorities** or the broader development context of the countries. The strategy is mainly based on EU's expectations and, as far as we know, has been developed without any consultation of non-state actors or concerned populations.

The EU comes with new funding and aims, re- focusing its aid on geographic and thematic areas that were not prioritised so far, in particular **with the view of increasing the 3 states' capacities to fight threats and handle terrorism and organised crime in a more efficient and specialised manner**. Quite noticeable is the fact that no French version of the strategy paper is available on the EEAS website, which is quite talking when we know that the 3 targeted countries are French speaking.

Of course, security is important for development, however this strategy fails to analyse and address long-term human security and development challenges of the Sahel region and doesn't take Sahel states and populations' own vision and aspirations into account and its long-term impact is consequently doubtful.

Read also commentary on ECDPM [Talking Points blog](#) by Andrew Sheriff at and the long discourse by Nick Westcott, Managing Director Africa of the EEAS [on EU-Africa relationships](#).

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### **EU support to Honduras: Security sector programme without ownership**

The EU is planning to increase its development cooperation in security sector in Central America for 2014-2020 period and leave its traditional, and often strategically important security prevention sectors, unattended.

**Programme of Support to the Security Sector (PASS)** in Honduras represents an important precedent of this tendency. In financial terms it is one of the largest security programmes of the EU also worldwide, with the earmarked budget of 44 million EUR.

The programme aims at promoting Security Sector Reform through supporting a national security policy and the strengthening of the relevant institutions.

The programme was launched in 2008 but the € 9 million first phase of the programme has only recently started its activities. The second phase of the programme and the implementation of the remaining 30 million EUR is yet to be decided. It will not be an easy task as the PASS was planned before the coup d'état on 28 June 2009 and since then, there has been an increase in threats, harassment and killings of human rights defenders, social leaders, journalists and members of the National Popular Resistance, with clear links to the public security sectors such as the police and the army. These human rights violations remain in absolute impunity and have been analysed and criticised for example by the IACHR and The Office of the United Nations High Commissioner for Human Rights (OHCHR).

**Besides the lack of tackling the impunity and the increase in human rights violations there are other concerning signs.** First, ownership for policies on security sector seems to be considerably low. A public justice and security sectoral strategy has been a pre-condition for implementing PASS, as any other sectoral programme. There is still no clarity on the contents of this strategy but the tendency is rather clear: the Honduran society has become increasingly militarised as a consequence of the coup d'état. High ranking current and former military officials, who have been accused by human rights groups of involvement in the coup, occupy high level positions in public bodies under the current government.

Second, the government is also establishing closer collaboration between the security secretariat (police) with the military apparatus. This collaboration is unlikely to translate into more violence and crime prevention rationale in government strategies, which is a stated aim of the PASS. In Aguán valley the **joint operations between police and military have already increased the human rights violations**.<sup>3</sup>

Implementing a programme in support of the security sector in this environment raises serious obstacles that may jeopardise the implementation of the PASS and even make it counterproductive, let alone support

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<sup>3</sup> See the report of the international fact finding mission to Bajo Aguán: <http://www.fian.org/resources/documents/others/honduras-human-rights-violations-in-bajo-aguan/pdf>

sustainable reforms. Furthermore, as the civil society actors are also concerned about the modalities and progress (or lack of) the programme, prospects for effective national ownership seem low.<sup>4</sup>

**Also the EU's own analysis is critical to PASS.** The draft final version of the evaluation of the cooperation of the European Commission with Honduras 2002-2009 (May 2011) recognises various challenges and problems in relation to the programme. According to the evaluation the programme was well planned and followed the OECD guidelines for security sector reforms, but since the beginning the EU failed to incorporate the civil society in constructive way, as an actor to promote the reform and monitor its implementation. After the coup d'etat this task has become ever more complicated, if not impossible.

**At the same time the report laments that the EU seem to retire from food security sector where good results have been achieved** through long-term efforts during the last 12 years. The evaluation recommends revising this position and continuing in this sector, also because it is one of the few sectors where the Honduran government has clearly established policies.

**The international civil society networks** ALOP, APRODEV, CIDSE, CIFCA, FIAN International, Grupo SUR and OXFAM have expressed to the EU that in the case of the PASS **the necessary conditions for the effective use of European Union funds do not exist.** It is essential that there are clear indicators and significant improvements in the human rights situation and that the level of impunity is tackled in order for the programme to be viable.

With regard to development cooperation 2014-2020, a **careful analysis should be carried out on the added value of the EU in security sector** in relation to other actors such as World Bank, Inter-American Development Bank and other bilateral donors already working on citizen security - as well as the cost of leaving some more traditional sectors behind.

More information on the programme and EU security sector cooperation in Central America: [t.sandell@aprodev.net](mailto:t.sandell@aprodev.net)

## EU FUNDING FOR DEVELOPMENT

### **A new Civil Society Facility for the neighbouring countries**

The Communication on “A new response to a changing Neighbourhood”, the culmination of a comprehensive review of the European Neighbourhood Policy launched in 2010, outlines a new approach towards EU's neighbours to the East and South based on mutual accountability and a shared commitment to respecting universal values, international human rights standards, democracy and the rule of law.

Acknowledging civil society's role to contribute to policy-making and hold governments to account, the Communication commits to supporting a greater role for non-state actors through a partnership with societies, helping non-state actors develop their advocacy capacity, the ability to monitor reform and their role in implementing, monitoring and evaluating EU programmes. It also envisages more intensive engagement with all stakeholders already involved in the implementation of the Eastern Partnership, including Eastern Partnership Civil Society Forum and its national platforms.

**Finally, it proposes the establishment of a Civil Society Facility to provide funding for nonstate actors.**

Central to the success of the initiative will be the alignment of assistance and of the policy dialogue with the institutionalized political dialogue carried out by the EU with partner countries. It is thus essential that a commitment to promoting an enabling environment for non-state actors and an inclusive approach to civil society participation in national reforms is echoed also at political level.

**The proposed Neighbourhood Civil Society Facility will be made up of three components, to be funded over 2011-2013:**

**Component 1.** Strengthening non-state actors capacities to promote national reform and increase public accountability, to enable them to become stronger actors in driving reform at national level and stronger partners in the implementation of ENP objectives.

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<sup>4</sup> See also “Reform Without Ownership? Dilemmas in supporting Security and Justice Sector Reform in Honduras”. IFP Security Cluster. Julia Schünemann. November 2010. Can be found at: <http://www.fride.org/publication/877/reform-without-ownership?-dilemmas-in-supporting-security-and-justice-sector-reform-in-honduras>

**Component 2.** Strengthening non-state actors through support to regional and country projects, by supplementing the funding available through thematic programmes and instruments.

**Component 3.** Increasing involvement of non-state actors in selected EU-partner countries policy dialogues and in the implementation of bilateral programmes.

The proposed programme will combine both technical assistance (tender/service contracts) and grants (through calls for proposals).

The regional call for proposals will be launched by Headquarters, and whenever relevant, regional grant contracts will be managed by EU Delegations.

Reinforced financial allocations at local level will be implemented through calls for proposals launched by EU Delegations.

- A Financing Decision for €22 million was adopted for the year 2011. The EC has not yet started the programming for 2012 and 2013, but the figures will be comparable with 2011.
- A Regional call for proposals is planned to be published under Component 2 of the Facility. For the local calls there is not yet an updated forecast. But, in order to maximize resources, the EC has foreseen for the Delegations the possibility to launch joint calls under the Facility with calls to be launched under NSA-LA thematic programme.
- The countries eligible under the Facility are the countries covered by the ENP, i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Lebanon, Libya, Jordan, Israel, Republic of Moldova (hereafter Moldova), Morocco, Syria, Tunisia, Ukraine, the West Bank and Gaza Strip

Full action fiche available [here](#).

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## NEWS FROM THE NETWORKS

### **CONCORD 2011 Spotlight report on EU Policy Coherence for Development: A Lisbon Treaty Provision, a Human Rights obligation**

CONCORD is launching a new report entitled "Spotlight on EU Policy Coherence for Development: a Lisbon Treaty provision, a Human Rights obligation". Following a first report in 2009, the new Spotlight Report assesses different EU policies in the areas of Food Security, Natural Resources, Human Security and Migration against the benchmark of EU Policy Coherence for Development (PCD). All chapters examine in more detail specific EU policies, functions and tools in place that promote or undermine efforts towards the effective implementation of PCD. A number of recommendations to redress coherence are proposed to the EU institutions, relating to the policies, as well as to the political and institutional set-ups.

The launch event will take place on 7 November in Brussels. A panel discussion will bring together CONCORD members and representatives from EU institutions including MEP Birgit Schnieper-Jastram, PCD Standing Rapporteur, MEP Ska Keller, Vincent Grimaud, Head of Unit at European Commission DG DEVCO. Journalists and the audience will be invited to ask questions. *Registration:* [ckampschoer@concordeurope.org](mailto:ckampschoer@concordeurope.org) by 3 November.

The report and other PCD-related documents (case studies, country profiles, position papers, statistics, etc) will be soon available on a new dedicated website: [www.coherence.concordeurope.org](http://www.coherence.concordeurope.org)

### **NEWS FROM APRODEV**

APRODEV response to EC consultation on **Trade, Inclusive Growth and Development** is available [here](#).

APRODEV Climate Change and Food Security and Trade groups have prepared a joint submission for the **Rio + 20 Conference** that will soon be posted on [APRODEV website](#). It covers issues relating to a fair green economy, alignment of international agencies and finance, political will for raised action on climate change and on biodiversity, the post-MDG framework and development finance, finance, technology and capacity building to implement Rio+20 outcomes, trade and investment regime, change of consumption patterns and lifestyle, access to sustainable energy and a substantial section on agriculture and the global food system.

## **NEWS FROM CIDSE**

CIDSE is working on the report of its conference “Towards a new paradigm for human and sustainable development”, in the meantime, readers are invited to visit our website and start [re-thinking growth](#).

CIDSE launched a new paper highlighting the impacts of [food price volatility](#) on food security in developing countries and a [Just Food newsletter](#) to address issues such as land grabbing, climate change impacts and the role of small farmers. The document was presented during the World Food Day and the 37th session of the UN Committee on World Food Security.

The CIDSE Secretariat has a new Climate Justice Policy and advocacy officer, Emilie Johann, is replacing Astrid Schwietering and will be leading the CIDSE COP17 delegation in Durban next December.

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

**CIDSE** is an international alliance of Catholic development agencies in Europe and North America. Its members share a common strategy in their efforts to eradicate poverty and establish global justice. CIDSE’s advocacy work covers global governance, resources for development, climate change, trade & food security, EU development policy and business & human rights. <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