



EU NEWS

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EU DEVELOPMENT POLICY

G20 outcomes: The end of the promise of a new world order?

The much-anticipated G20 London Summit ended in an anti-climax. The measures announced appear to be more of the same old solutions the world has relied on so far to deal with financial problems. Have we arrived at the 'beginning of the end' of a promise of a new world order rather than at the 'beginning of the beginning' of a new world order? CIDSE's main criticisms of the outcomes:

-The IMF with a slight face-lift will continue to regulate global finance. The IMF, bastion of industrialised country influence, will be given a 500 billion USD boost to continue to be the guardian of the global financial system, a role it has failed at so far. The G20 acknowledges the need to reform the mandates, scope and governance of these institutions by increasing the voice and representation of emerging and poor economies; 'to take steps' to make them more accountable and credible; and to appoint the heads and senior management on merit through open and transparent process. Will this make a difference to the numerous low income countries who are recognised to be the most adversely affected by the crisis? Highly unlikely.

-Tax havens will continue to flourish so long as they sign bilateral agreements that have proven not to be effective. The black-listing measures that the G20 announced will do little to return the millions of euros that have been illegally taken out of developing countries and deposited in secret European Bank Accounts. The OECD's new black list will be reduced to no more than a diplomatic

exercise. Countries like Liechtenstein, Monaco, Switzerland, Luxemburg, Belgium and Austria have found an easy way to stay off the list through bilateral tax agreements, while hardly changing their bank secrecy rules. Such bilateral agreements have delivered meagre results until today.

-The announced 50 billion USD for low income countries is little more than a repackaging of existing resources. With many countries in the EU set to default on their aid commitments, the Summit's reaffirmation of donors' commitment to achieve their respective Official Development Assistance pledges can only be believed if followed by concrete allocations to development budgets.

- A balanced and development-friendly system for international monetary stability remains elusive. The current monetary system disproportionately affects the currencies of non-reserve currency countries. The preliminary recommendation of the Expert (Stiglitz) Commission of the UN General Assembly President on reforms of the international monetary and financial system to adopt a new Global Reserve System, and the call by China to review the current monetary system based on a single reserve currency, is not reflected in the communiqué.

In conclusion, the G20 with its limited membership and interests is not the forum that can provide the global response to the financial crisis. Instead, **the G20 should feed this outcome into the broader process to prepare the June UN Conference** on the financial and economic crisis and its impact on development. Through such a dialogue, the G20 can ensure that its commitments and further policy orientations are informed by the needs and interests of this larger group of states that have as much if not a greater stake in ensuring that a new global order is carved out of the present crisis.

See CIDSE's new policy paper, ["From Collapse to Opportunity: Development Perspectives on the Global Financial Crisis"](#) (April 2009), [full G20 analysis](#) and the [Christian Aid response](#) to G20.

On the eve of the G20 summit, **CCFD-Terre Solidaire**, CIDSE's member in France, launched its **campaign "International Hold Up"**, which will run until after the G8 in July. The campaign aims at a **reform of the European legal framework in order to limit the negative impact of multinational corporations'** operations – including the financial sector—, to ensure that they benefit populations in the South by contributing to the development of their countries.

EU considers response to the impact of the financial crisis on development – annual review of EU commitments on aid + other financing for development

On 8 April, the European Commission released its communication on supporting developing countries in tackling the impact of the financial crisis, accompanied by staff working papers on financing for development, aid effectiveness, aid for trade, and the impact of the financial crisis on the attainment of the Millennium Development Goals. These working papers will now form the basis for discussions in the Council leading up to Conclusions by Development Ministers meeting on 18-19 May.

While the release of the OECD DAC figures in March this year showed a rise in 2008 aid provided by the European Union after declines in 2007, the Commission estimates that **a whopping € 20 billion more in aid is needed over and beyond the EU's current € 50 billion (0,4% of national income) to reach its 2010 commitment of 0,56%**. In particular, Italy has abandoned its aid commitments and Germany and France are off-track in meeting theirs. The strategy details how Europe will provide money upfront from its aid budget, but offers no new funds to tackle the crisis, while there have also a raft of recent aid cuts to European governments' 2009 aid budgets (Ireland, Italy, Latvia, Estonia).

In May, CONCORD will release its fourth annual AidWatch report, looking at the *genuine aid* provided by European governments.

The Commission recognises the value of innovative sources of financing, such as voluntary solidarity levies like the airline tax to finance health programmes. It calls for an urgent assessment of the different approaches and proposals, examining the efficiency of the mechanisms, the effective use of the funds, and the need to ensure that national ownership is not undermined. However, **the value of innovative mechanisms should also be examined for the systemic benefits they could provide.** For example, the airline tax has the additional benefit of taxing an activity that produces harmful carbon emissions. The financial crisis has exposed the harmful effects on the larger financial system of financial and currency trading, an economic sector that has until now remained untaxed. CIDSE

believes a Currency Transaction Development Levy, and a broader Financial Transaction Tax, should be included among the proposals to be assessed. Innovative finance must also be additional to ODA.

On debt, the Commission acknowledges that many post-HIPC countries have been led into new borrowing since 2007, because they have been exposed to a succession of shocks - caused in particular by high and volatile food and energy prices. Debt sustainability in developing countries is therefore a major concern. Beyond fulfilling commitments to the HIPC and MDRI initiatives, CIDSE argues the EU **should commit to work for further debt cancellation** for deserving countries that could not benefit from these restricted debt relief programs. Discussions on sovereign debt should aim at a **legal framework for responsible lending** clarifying responsibilities of both creditors and debtors, and including an impartial and transparent process for resolving debt crises and disputes.

Taxation is covered very extensively in the paper, which signals a big and positive difference to last year's communication. However, strong analysis on how tackling tax-related issues could make a big difference for financing for development is not matched by equally strong proposals for action. **The EU must show a stronger intention to lead in taking forward work begun within the G20 on issues including tax havens and international accounting standards.** A concrete step towards achieving the EU's stated goal of good governance in the tax area (including transparency and exchange of information) would be **adoption of a Code of Conduct for states** on cooperation in combating international tax evasion – already approved by the UN ECOSOC subcommittee on tax matters. International accounting standards should include the requirement of **country by country reporting on financial transactions between multinational corporations and governments**, including tax payments. The EU should initiate a review of IFI conditionality, eliminating those conditions which reduce developing countries' policy space for effective and progressive taxation.

On **global governance**, the Commission makes general reference to limited reform measures in the **international financial institutions** as discussed to date. Yet in both the World Bank and IMF, the formula to determine voting rights (GDP openness, variability and reserves) are biased against developing countries, and therefore need to be amended to include other variables. **A double-majority requirement (voting power and number of members)** would also increase the weight of developing countries in decision making. The paper does recognize the need to improve the coherence of policies and actions between the IFIs and the United Nations, advocating the enhancement of the UN's role in IFI governance bodies. Specifically, the Relationship Agreements linking the IMF and World Bank to the UN should be renegotiated, to **enhance the IFIs' responsibility to the UN, ensuring that monetary, finance and trade policies respect the broader UN socio-economic mandate and human rights.** The paper also advocates enhancing the debate on global economic issues within the UN ECOSOC, corresponding to the UN's central role in the multilateral system due to its universality and broad mandate. A number of proposals have been made to **strengthen UN leadership on global economic and financial issues**, e.g. a UN Economic and Social Security Council. Now, a process is needed to channel this political will into a clear operational plan. The EU should promote a strengthened UN Financing for Development follow-up process as the venue for these discussions.

Resolution adopted by the Joint parliamentary Assembly [Role of the Cotonou Partnership Agreement in addressing the food and financial crisis in ACP countries.](#)

EU SECTORAL POLICIES

Climate Change: state of play after the Bonn negotiations

On March 29 to April 8, the UN Framework Convention on Climate Change held its first meeting of the year in Bonn, Germany. The meeting is the first in a series of gatherings this year on the road to Copenhagen, where 192 countries gather in December 2009 to agree on the framework of a post-2012 global deal on climate change.

One of the greatest challenges of the negotiations is bridging the **trust deficit** that currently dominates the relations between industrialized and developing countries – and prevents progress from being made on a wide range of issues under the climate change talks. Developing countries have little reason to believe promises of climate finance from the North before the money is actually on the table.

The economic crisis has made the challenge of sustainable development in the South all the more acute – but seems to have even further reduced the political will of industrialized countries to shoulder their historical responsibility and provide financial support for climate actions in developing countries.

Another mounting challenge is the increasing urgency of the negotiations. An international climate science conference in Copenhagen in March confirmed what many had already suspected – many of the worst predictions of the UN Intergovernmental Panel on Climate Change (IPCC) are already being felt. We are rapidly heading towards ‘dangerous climate change’. At the same time, the political will to deal with climate change is challenged by other concerns.

During the talks in Bonn, the two gaps – the North-South trust deficit and the gap between science and policy - became all the more apparent. This was most obvious in two of the ‘deal-breaking issues’: emission reduction targets for industrialized countries, and climate finance to help developing countries limit their emissions growth and adapt to the consequences of climate change.

Many developing countries were disappointed in **industrialized countries for not making progress in quantifying their emission reductions** for the next commitment period – after having discussed the issue for more than three years already. The EU position that industrialized countries collectively should reduce their emissions by 30 % by 2020 is far from what the most recent science demands. **And what is worse is that other industrialized countries are even less ambitious.** In fact, with the proposals currently on the table we are heading towards 4 rather than 2 degrees of warming – with devastating consequences for the most vulnerable countries and people. APRODEV and Cedes demand that industrialized countries reduce their emissions by at least 40 % by 2020. This is absolutely necessary to avoid dangerous climate change, take into account historical responsibility for climate change and protect developing countries’ right to development.

Similarly, the **lack of concrete figures and on climate finance commitments** by industrialized countries was a large disappointment in Bonn. The lack of a joint EU position on the issue was one of the reasons so little progress was made. During the next few months, it will be crucial that EU finance ministers express their firm support for innovative mechanisms to provide public climate finance, additional to ODA, and stop resisting proposals such as the one by Norway, which would generate significant amounts of money from auctioning of carbon allowances on an international level. The EU should have a clear position, including an indication of the quantity of its financial commitment, by June, in order to provide much needed momentum to the negotiations and start building bridges to close the trust gap.

Despite the lack of progress on the large political issues, Bonn was an important place for stock-taking and finding points of convergence, before negotiations on actual texts start in June. In particular, **Bonn was marked by two important developments** – the US for the first time entered the negotiations with serious signs of willingness to engage and commit to emission reductions, and the EU appeared to be actively engaging with proposals of developing countries. These are steps in the right direction, which must be built upon.

Political action on climate finance and emission reductions during the next few months could potentially be speeded up by processes outside the UNFCCC – such as the **Major Economies’ Forum (MEF)**, launched by former President Bush and now taken over and modified by President Obama. While such processes can play an important catalyzing role, many Southern governments highlighted in Bonn that **the UNFCCC must remain the main arena for deliberation** on the future international climate architecture, to ensure full representation and participation of developing countries. The trust gap will never be bridged if developing countries once more are sidelined when the key political decisions are made. A fair process is key to an equitable deal - and a precondition for adequate protection of the world's climate during the coming decades.

For more information on Bonn negotiations, please contact m.grundstrom@aprodev.net
See also the CIDSE update, [“The US is Back but Negotiations Still Short on Substance.”](#)

Aid for trade, a key priority of the EU in Africa

At several occasions, EC high officials and Commissioner Michel have emphasised the necessity to support ‘connectivity’ at regional and pan-African level and the added value of EC cooperation in that area. Recent EU-Africa debates and agreements confirm that approach that is also well illustrated in the recently published [Aid for Trade monitoring report 2009](#).

The report provides many data showing that the EU (EC + Member States) is the largest global provider of grants in the Aid for Trade area and that Africa is the main recipient with 43,9% of total EU aid for trade in 2005-2007.

It is important to note that **the definition of Aid for Trade used in the report is quite broad** and includes both Trade Related Assistance (€ 1.98 million in 2007 from EU) as well as productive capacity building, trade related infrastructures and trade related adjustment as well as 'other trade related needs' not classified by the OECD. General budget support and non-earmarked support to multilateral organisations are not included in the calculations. With such a definition it is not surprising that **total EU commitments for Aid for Trade reached € 7.17 billion in 2007** (4.74 from Member States and 2.43 from the EC) representing **10.45% of total EU ODA**.

Support to regional integration captures an increasing share of the Aid for Trade (AfT) funding and the preparation of [regional aid for trade packages](#) for the ACP countries, to be supported jointly by the EC (EDF) and the Member States, is top of the EC agenda for 2009. The signing of the 10th European Development Fund (EDF) Regional Indicative Programmes in November 2008 is seen as a milestone in that process.

[The North-South Corridor](#) pilot AfT project to improve infrastructure and remove regulatory barriers between three Regional Economic Communities of Africa (the Common Market for Eastern and Southern African (COMESA), the East African Community (EAC) and Southern African Development Community (SADC)) perfectly illustrates this approach. The goal is to **improve regional trade and give countries faster access to international markets**, thereby boosting growth and jobs. The €115 million contribution from the EC consists mainly of funding from the 10th EDF.

The package of measures proposed by the EC in its 8 April communication on supporting developing countries in coping with the crisis also includes the recommendation to increase by 2010 to €500 million the grant inlay in the [EU-Africa Infrastructure Trust Fund](#). The Commission, for its part, will allocate €200 million for 2009-2010 (from 10th EDF), doubling its current inlay, and calls on Member States to join this effort in order to raise €500 million. Achieving this target would leverage €2.5 billion in soft loans to support infrastructure. In the area of agriculture, the Commission insists in particular on **the necessity to invest in agricultural corridors and to align investments in support of linking markets and production areas**.

Whether Member States will inject such a level of fresh money into the Trust Fund is questionable considering their low contribution so far (around 28 million from 11 Member States by October 2008).

Another example of the EC support for a trade and export oriented economy in Africa is the "**Better Training for Safer Food in Africa – BTSF-Africa**" initiative launched by EU Health Commissioner, Androulla Vassiliou at the African Union headquarters in Addis Ababa. This is a 10 million specific programme targeted at Africa, with the view to promoting compliance with international Sanitary and Phyto-Sanitary (SPS) measures as key to bilateral trade, both within Africa and with the rest of the world, and to increasing food safety for citizens.

Finally, it is also interesting to note a new agreement between the European Commission and the African Union Commission on the principle of a **common strategic framework to develop safer and more sustainable air transport in Africa**. It includes supporting the Yamoussoukro Decision aiming at creating a single airspace in Africa with one provisions being the principle of free market access of (eligible) air carriers for intra-African connections. The EC will support the development and evolution of the Executing Agency for implementing the Decision and **assist in the definition of the appropriate regulatory environment and market access**. In other words this agreement is the best way to open the internal African aviation market to European carriers.

Supporting trade and an export oriented economy in the ACP states with EU development policy and budget is clearly a top priority of the EU but to what extent are trade policies and agreements under negotiation actually supporting development objectives? Take the **recent proposal made by the EC to reduce the current banana tariff** of 176 Euros/ton to most favoured nations (of Latin America) to 136 Euros/ton by 2011. Effectively, this means favouring large plantations in Latin America with low environment standards and exploitative and dangerous labour conditions at the expenses of small banana producers in ACP countries. Such a policy is clearly at odds with the EU principle of policy coherence for development. Not surprisingly, the ACP group, [in a recent press release](#) strongly criticises the EC proposal. The substantial tariff cuts would have dire consequences for ACP export trade, for which the current preferences are of vital importance. *The sharp reductions proposed between 2009 and 2011 cannot be reconciled with any of the EU commitments towards ACP*

Countries, specifically the recently signed Cariforum-EC Economic Partnership Agreement which provides that tariff reductions should not only be "unavoidable" but "should be phased in over as long a period as possible". ... Bananas for ACP countries are not only about trade, but about development. Bananas have a direct impact on environment, migration and integration in ACP countries. Now that the world is suffering from a global financial crisis, ACP countries cannot afford to sacrifice their few sources of hard currency on the altar of free trade.

Note that this concern is also highlighted in the resolution adopted at the ACP-EU Joint Parliamentary Assembly session in Prague on [Economic partnership Agreements and their impact on ACP states](#).

The impact of Economic Partnership Agreements on development in the ACP countries is indeed a major concern for many ACP officials and civil society actors following the unfinished EPA negotiations. This critical policy coherence issue was at the core of the workshop organised on 24 March by One World Action, APRODEV and the Commonwealth Secretariat on **EPAs: Trade efficiency or development for all? Gender analysis of trade liberalisation and its impact**.

The Roundtable provided a forum to appreciate the relevance of systematic gender analysis to inform negotiation positions and to provide nuanced understanding of the gender impact on distributional effect. Integrating principles of responsive governance into trade policy-making and trade negotiations is needed, as well as effective EPA monitoring to enhance positive EPA impact and minimise potential harm. Suitable indicators, including gender indicators, to chart progress on implementation and impacts of EPAs are key tools in putting into practice the development and poverty reduction ambitions of EPAs.

From that point of view, organisers particularly appreciated the fact that certain recommendations from the [APRODEV background paper on EPA indicators](#) were reflected in the [resolution of the European Parliament on the Cariforum EPA](#), as following:

Suitable development indicators should serve three key purposes:

1. to trigger implementation of EPA commitments by Cariforum States or to qualify them for exemptions;
2. to monitor the impact of EPA implementation on sustainable development and poverty reduction;
3. to monitor the implementation of EC commitments, in particular disbursement and effective delivery of pledged financial and technical assistance

The report of the workshop will be available shortly; in the meantime, you can view the available presentations, the background paper on indicators and the concept note [here](#).

EU HUMANITARIAN AID POLICY

Floods in Namibia: European Civil Protection mechanism activated

A team of European Union (EU) emergency experts brought together by the EU's Monitoring and Information Centre (MIC) and accompanied by an ECHO representative arrived in Namibia on 27 March to assess the flood-hit areas.

The MIC visited affected areas to assess reconstruction needs and civil protection assistance to be provided. They will also facilitate the coordination of incoming EU assistance and monitor its use. **The MIC is a European Commission office that monitors and responds to natural and man-made disasters worldwide.** It gives countries access to a Community-wide civil protection platform. When any country or region in the world suffers a disaster of such a scale that it overwhelms national response capacities, then Europe can respond if requested to do so.

Assistance is being offered by the Austrian authorities in the form of emergency health kits, tarpaulins and mosquito nets. Emergency health kits and tarpaulins arrived on Sunday April 5 and were handed over to the Office of the Prime Minister on April 6, while mosquito nets are planned to arrive during the course of the week. This complements financial donations from several EU Member States through other channels. It seems that ECHO has not yet reacted to the situation.

European Civil Protection: <http://ec.europa.eu/environment/civil/prote/mic.htm>

EC Delegation to Namibia: <http://delnam.ec.europa.eu/home.htm>

EU RELATIONS WITH THIRD COUNTRIES

Sudan: EC support to peace and recovery could be legally suspended

The Government of Khartoum (GoS), a signatory of the ACP-EU Cotonou Partnership Agreement (CA) in 2000 has no intention to ratify the [new version of the Agreement](#) that was adopted in June 2005 by the joint ACP-EC Council of Ministers. If the GoS' has not signed the new agreement at the end of June 2009, Sudan will no longer be eligible for financial support from the European Development Fund (EDF), the financial arm of the Cotonou Agreement.

The reasons for refusing to sign are apparently related to the new Article 11.6 on the ratification and implementation of the Rome Statute of the international Criminal Court that was introduced in the revised agreement.

Without the legal basis provided by the Cotonou Agreement the European Commission cannot disburse the approximately 300 million euro allocated to Sudan under the 10th EDF, leaving important on-going programmes under-funded. This situation is very particular and unprecedented.

Cases have occurred in the past where EDF support to an ACP government is suspended because of non-respect of human rights and democracy, There are also instances where the EDF is disbursed to a country in the absence of a signatory government, as in Somalia. The current stand off with Sudan however – where the government is simply refusing to sign the agreement and in the process preventing itself and its population from receiving substantial and much needed EC aid - is quite unique and has left officials scratching their heads.

Another factor that makes Sudan unique is the **'one country, two systems' model resulting from the Comprehensive Peace Agreement (CPA) signed on 9 January 2005** between the Khartoum government and a southern Sudanese rebel movement, which had long been fighting for greater autonomy for the south of the country. Under this agreement the semi-autonomous Government of South Sudan was set up to govern the marginalised regions that may well vote for independence in 2011. However. the decision by the northern dominated government in Khartoum not to sign the revised CA has consequences for cooperation with both the northern and southern parts of the country.

After the 1989 coup, EU Member States decided to suspend the official EDF support to the Government of Sudan and this decision was still in force in the first years of implementation of the Cotonou Agreement. The dialogue was however maintained with the GoS and since 2002, the preparation of a Country Strategy Paper (CSP) for the implementation of the 9th EDF was used by the EC as an incentive to push the parties to sign the Comprehensive Peace Agreement. Indeed, two weeks after the signature of the Peace Agreement, a CSP focussing on food security and education and including a substantial envelope in support of peace, governance and the rule of law was signed on 21 January 2005.

9th EDF support in Sudan was equally split between the Northern and Southern parts of the country and implemented partly through government structures at federal, state and locality level (with the assistance of a project management unit), and partly through international organisations, NGOs or other non-state actors. An indicative amount of 67.7 million had been allocated to measures relating to the Peace Process and Peace Building Initiatives, Human Rights, Democracy, Rule of Law and Good Governance, including capacity building for improvement in public sector management and capacity-building and other institutional support for civil society in all its forms. The Commission was explicit in its wish to use much of this aid to support the Comprehensive Peace Agreement.

According to our information, the Sudan envelope under the 10th EDF would have been allocated according to the same priorities with a substantial support to the **Multi Donor Trust Fund (MDTF) which provides support to the government of South Sudan** and the three transitional areas (South Kordofan, Abyei and Southern Blue Nile).

This potential cut in support could not come at a worst time, as according to many analysts Sudan is teetering on the brink of a return to full scale conflict. A recent field report from [Refugees International](#) (US) shows how crucial this support to South Sudan is: **International engagement is urgently**

needed to rescue South Sudan from the brink of an unfolding crisis. Approximately two million people have returned to South Sudan since 2005 to find themselves in extreme poverty. Social services and livelihood opportunities for communities remain minimal while tribal tensions and localized conflicts are on the rise. South Sudan is also facing an economic crisis due to the drop in oil prices, creating the potential for new insecurity. If these threats are not addressed, the implosion of the South will shatter any realistic prospect for peace in Sudan as a whole, including the Darfur region.

Any sudden reduction in funds for the government and especially for the local government authorities and the many non-state actors that provide services to the population could have all sorts of repercussions. Such a cut would undermine the hard work that the EC and many member states have put into achieving peace and stability in Sudan, as well as risking the improvements made in the lives of poor communities in Sudan that have been made since the CPA was signed. **A temporary solution has been found in the area of food security** with an allocation of € 22 million from the 2009 budget of the Food Security thematic programme. In addition, **ECHO continues to assist returning refugees** and internally displaced people to reintegrate in southern Sudan. However, this cannot compensate for long-term development programmes supported with the EDF. This situation also raised the question of the adequacy of EC aid instruments in post conflict situations and provides serious food for thought for the current debate on an implementation plan for the **EU's response to situations of fragility**.

The EDF is an inter-governmental fund managed by the EC independently from the annual EU budget. Member States transfer funds to the EDF on the request of the EC and on the basis of disbursement needs. Member States that are engaged with bilateral support programmes in South Sudan and concerned by the situation - such as the UK, the Netherlands or Sweden - are **expecting the European Commission to present options to overcome the present freezing of EDF support**. It seems however that a similar sense of urgency on this issue is lacking amongst many Member States and at the senior political level at DG Development. Reticence to make a precedent in EU-ACP cooperation and the fear of rewarding the Government of Sudan for bad governance and of interfering with the ICC indictment of President Al-Bashir probably explain their hesitation. We are however convinced that a way out of that situation could easily be found if there would be sufficient political will in EU Member States and the EC, thus avoiding a harmful and potentially dangerous cut in aid to a fragile post-conflict state. Sudan could even become an example of the good use of the EU code of conduct on division of labour.

[APRODEV report](#) on Policies and Instruments of the EU in post peace agreement areas: the case of Southern Sudan (October 2007)

[More on EC cooperation with Sudan.](#)

Afghanistan: NGO recommendations to NATO and EU Member States

A new report entitled "[Caught in the conflict](#)" from a group of international and European non-governmental development agencies working in Afghanistan, including **Christian Aid and Cordaid**, makes recommendations on how the security strategy of the international community should be changed in order to minimise the harm caused to Afghan civilians and reduce the disruption to development and humanitarian activities.

The paper does not attempt to address all dimensions of the current conflict, but focuses specifically on how international security strategies and military forces affect Afghan civilians. As such, it is of relevance to officials in troop-contributing countries, for whom the recommendations are primarily intended. In particular, the paper was directed at politicians, policymakers and military officials who attended the NATO Heads of State and Government Summit on 3-4 April and the International Conference on Afghanistan in The Hague on 31 March.

Meeting in [External Relations Council](#) ahead of the Conference, **EU Member States adopted conclusions** in which they reaffirm their "long-term commitment to working with the people and government of Afghanistan for stability, reconstruction and development of the country". To this end, they agreed to "look urgently at how to enhance and improve their engagement", also stressing the **need for greater Afghan "ownership"**. The EU is ready to financially support the electoral process and to send an electoral monitoring mission to the country as long as security conditions are met. It also restates its commitment in favour of police reform in Afghanistan through the EUPOL mission. Ministers will, moreover, support the UN mission there (UNAMA) but stress that development of the

country requires **not only more aid but also more effectiveness, more transparency and better coordination of international aid**. The EU sees Afghan issues in a “context of a wider regional approach” and underlines the need for improved relations between Afghanistan and Pakistan. Europeans also say they are ready to work together with the US administration under Barack Obama to stabilise, secure and develop Afghanistan.

The European Commission long standing commitment to Afghanistan was also confirmed in The Hague with a commitment of some additional €60 million to support **Afghanistan’s elections, the Afghan police and food security**. This will be supplementary to the EC funding of €700 million already available for the period 2007 – 2010.

Eastern Partnership: consultation on a new Civil Society Forum

In the framework of its new [Partnership with Eastern Neighbours](#), the Commission has proposed to support the further development of civil society organisations (CSOs) and ‘to establish an **Eastern Partnership Civil Society Forum** to promote contacts among CSOs and facilitate their dialogue with public authorities.

In its [conclusions on 20th of March 2009](#) the European Council adopted the Declaration of the Eastern Partnership that “will engage a wide range of actors, including government ministries and agencies, parliaments, civil society, international organizations, financial institutions and the private sector”.

The Commission services have begun to develop the concept leading to the establishment of the EaP Civil Society Forum. **At this stage, it is envisaged that the Forum could be structured around yearly conferences** where relevant subjects would be discussed and the results of the work of the Forum would feed into work of the multilateral structures of the Partnership.

To ensure the transparency and objectivity of the process leading to the creation of the Forum, all interested parties are invited to provide their opinion, in particular on the following questions:

1. How can the goals of the Eastern Partnership be advanced by a Civil Society Forum?
2. How should participation in the work of this Forum be determined?
3. What should be the structures of the Forum? How would it interface with the other EaP structures (platforms, panels etc.)?
4. What role should the European Commission play in the launch and in the work of the Forum?

Participate in consultation [here](#).

Central America: Difficulties in negotiations on the Association Agreement

The negotiations between the EU and Central America on an **Association Agreement** have been advancing at an accelerated speed since the start in October 2007 and after the 6th round of negotiations the parties announced that negotiations were expected to be finished by June 2009. But on the 31st of March, the **7th round of negotiations**, held in Honduras, broke down after the withdrawal of Nicaragua from the negotiation table. The main reason for Nicaragua’s withdrawal was the lack of will of the EU to discuss Nicaragua’s proposal of a regional credit fund to be financed to 90 % by the EU and 10 % by the Central American countries. There was also a lack of consensus between the Central American governments regarding the proposal.

When withdrawing from the negotiations, Nicaragua asked for a six month pause in the negotiations. But the EU, immediately after the breakdown, invited the Central American governments to an **informal meeting in Brussels on the 23-24 of April** to discuss how to continue the process. Nicaragua has confirmed its participation in the meeting after a [joint communiqué](#) by commissioners Benita Ferrero-Waldner and Catherine Ashton in which they express their willingness to listen to the proposals of Nicaragua. A decision on if and how to continue the negotiations is likely to come out of the meeting.

Civil society organizations in both Europe and Central America have actively been trying to influence the negotiations. Though, this has shown difficult due to the lack of transparency and mechanisms for civil society participation. As the negotiation process has been moving steadily forward it has become clear that many of the **controversial issues** that civil society recommended to exclude from the negotiations are being included, whereas most of the civil society proposals are being left out. In some areas, such as trade in services, the EU wants to go much further than the free trade agreement between Central America and the US (CAFTA). The EU is also pushing to include clauses that have been and are still controversial in the EPA negotiations for **limiting governments’ policy space** to define their own development strategies and to deal with the financial crisis.

An important civil society demand since before the start of the negotiations has concerned the **Sustainability Impact Assessments (SIA)**. The European Commission is obliged to carry out such studies before initiating negotiations, to assess the economic, social and environmental impacts of a trade agreement. Although the negotiation process could be approaching an end the SIA process did not begin until January 2009 and the final report is expected in August. On the 6th of April the first [draft interim report](#) was published. The report paints a rather rosy picture of the expected outcomes of the Agreement for both the EU and Central America, in contrast with many of the concerns raised by various civil society organizations.

On the 20th of April a **civil society consultation** on the SIA report is being held in Managua, Nicaragua and written comments can be made on the report until the 27th of April. As the SIA report is only published in English the possibilities of real participation of Central American civil society is severely restrained. APRODEV has arranged for a translation of the report into Spanish which will be circulated and published on the APRODEV web page on the 21st of April.

Few organizations following the negotiations of the Association Agreement between the EU and Central America think that the rupture of the 7th round of negotiations will mean the end of this process. But many organizations welcome the opportunity to suspend the negotiations in order to reassess the direction the negotiations have taken.

See APRODEV's and other European networks' [press release](#) after the rupture of the negotiations and the [press release](#) of the Central/Latin American networks CID and ALOP (both in Spanish).

For more information, contact a.andersson@aprodev.net

EU FUNDING FOR DEVELOPMENT

Food Facility: €200 million call for proposals for projects in 35 countries

The overall plan for the implementation of the Food Facility contains a list of 50 target countries which will receive assistance during a three year period. Support will be provided through 3 main modalities:

- 1) International Organisations – approximately € 550 million
- 2) Call for Proposals for eligible entities, including notably Non-State Actors (NSAs) and Member States bodies - approximately € 200 million and excluding International Organisations
- 3) National projects and programmes (including budget support) – approximately € 170 million

Civil Society Organisations, Member State Agencies, public bodies, municipalities, provinces and regions in the partner countries are eligible for the call for proposals that will cover 35 target countries selected from the 50 priority countries.

The Call for Proposals will require a minimum level of co-financing for each action that can range indicatively from 50% for certain eligible entities, for example Member States bodies, to 15% for not for profit EU NSAs or 10% for NSAs based and operating in the target countries. The exact list of target countries and eligible entities, including their required level of co-financing, will be provided in the guidelines of the Call for Proposals. Projects' budget will range between 1 and 5 million euro for a maximum duration of 20-22 months.

During the preparation of the centralized call to be organised and published by the Commission's Headquarters and before launching it, the EC will take appropriate initiatives at eligible countries level to facilitate the understanding of the needs to be addressed by the call, possibly through local consultations. The result of these initiatives will be used in the selection process. The restricted call procedure, that is a two steps procedure, will be launched at the beginning of May. The proposals may cover one or several countries. Concept notes will be judged on how relevant the objectives are to the Regulation, whether they are in line with the needs of the country, and how feasible they are. Shortlisted applicants will receive letters in July and have 45 days to submit a full proposal. Marks from relevance and feasibility will carry over from the concept note, in addition to new criteria. The full proposal will also be judged on sustainability, value for money, capacity, and methodology. The final selections will be made by October.

Note that on 30 March the Commission adopted a first funding decision for the Food Facility worth 314 million euros to provide support to projects and programmes in 23 developing countries. Funding will be channelled through International Organisations: the UN Food and Agriculture Organisation (FAO), the International Fund for Agricultural Development (IFAD), the World Food Programme (WFP), the

World Bank, the UN Development Programme (UNDP) and specialised UN agencies like UNOPS (in Myanmar/Burma) and UNRWA (in Palestine). These organisations will not be eligible for the call for proposals.

The list of target countries for the Call for Proposals with the indicative amounts per country is provided in the *Commission decision for implementing the food facility* available [here](#). (first few pages in French followed by English).

Intra-ACP programme 2008-2013: replenishment of the Energy and Water Facilities

The strategy paper and multi-annual indicative programme for the implementation of the 2.7 billion euro intra-ACP envelope of the 10th EDF has finally been adopted and published.

It includes a series of thematic programmes and facilities with an all ACP or a pan-African geographic scope as well as a € 300 million contribution to the Global Fund for HIV/AIDS, tuberculosis and malaria.

A few of these programmes will be (partly) implemented through calls for proposals. It is the case of the Energy Facility, the Water Facility and the ACP-EU Cultural Fund/Programme.

The [Energy Facility](#) and the [Water Facility](#) were created under the 9th EDF and a special unit dedicated to their implementation was established in EuropeAid (unit C7). The intention is to replenish each of them with 200 million euro under the 10th EDF and to launch new calls for proposals.

Issue papers have been prepared by the EC to discuss with EU member states the kind of activities to be supported. A consultation of civil society on the Water Facility (on invitation) will take place on 7 May.

For the Cultural Fund, the exact way the 30 million euro will be allocated is apparently not yet decided: *'support could be allocated either in response to thematic calls for proposals (audiovisual, exchange of museum exhibitions, etc) or following a global approach (all kinds of NGO, local authorities, ministries of culture etc could submit all kinds of proposals.'*

Contribution of civil society actors might also be envisaged for Disaster Risk Reduction under the ACP-EU Natural Disaster Facility (180 million) or for cooperation in the area of migration (40 million), health (30 million) or rural development (40 million) for which the modalities of implementation are not clearly defined in the paper.

The full intra-ACP strategy paper is available [here](#).

NEWS FROM THE NETWORKS

NEWS FROM APRODEV

New APRODEV working group on Security and Development. The group was established to take forward the related project on Security and Development that is part of the 2009-2013 strategic plan of APRODEV. The goals of the Group are to serve as a platform for developing joint strategies and advocacy activities; serve as a forum for developing common understanding on selected topics; facilitate coordination and information sharing within Aprovev agencies and seek collaboration with other bodies working on EU's security and development related topics. For 2009, the main focus of the group will be on the EU response to situations of fragility. The group is open to all APRODEV members, it works in a flexible way with limited support from the secretariat. Suvi Virkkunen from FCA is presently chairing the group.

For more information on the group's TOR and work plan, please contact k.sohet@aprodev.net

NEWS FROM CIDSE

On 17 April, CIDSE issued the press release "[Farm Summit Must Promote Sustainable Solutions To End Food Crisis](#)," urging G8 Agricultural Ministers meeting in Treviso, Italy to place small scale farming at the heart of agriculture and rural development policies. Efforts must go beyond increasing production to address the wide variety of constraints faced by small scale farmers and rural communities in developing countries, including access to credit, natural resources such as land and water, and market information. CIDSE contact person: [Cliona Sharkey](#) and [Roeland Scholtalbers](#).

NEWS FROM CARITAS EUROPA

Due to the global financial crisis, the Irish Government has decided to cut the overseas aid by a total of 195 euro, from the beginning of the year, which represents the 20% from the total projected aid

budget for 2009. **TROCAIRE** has called on the government for the [overseas aid to be reversed](#) and to lay out its plans for reaching its target of spending 0.7% of national income on aid by 2012.

Caritas Internationalis is launching [Peacebuilding](#): Web Toolkit for Trainers, to provide an unrivalled resource for designing peace building workshops. The toolkit goes beyond being a manual; this is a web-based kit with content, activities and resources interlinked so that peace workers can surf through to develop quickly what they need.

The web toolkit has been developed for trainers, facilitators, learning designers and other practitioners engaged in peace building, who can build their own workshops online from a wide range of activities and other tools for learning design and facilitation.

Caritas Europa and its Christian partner organisations have issued a [paper on the European Commission's proposal for amendments to the Dublin Regulation](#). Since its adoption in 2003, the regulation has been criticised for not processing asylum applications efficiently and not supporting the notion of a Common European Asylum System. Critics have also pointed out that the current regulation penalises asylum seekers through a frequent use of detention and a tendency to separate families. This paper calls on European leaders to ensure that detention of asylum seekers will be severely restricted, allowed only in the last resort, and, if it happens, then to guarantee that detained asylum seekers have access to legal representatives, family members and monitoring organisations.

EU News Editors: Karine Sohet, APRODEV (k.Sohet@aprodev.net)
Denise Auclair, CIDSE (auclair@cidse.org)
Blandine Bouniol, Caritas Europa (bbouniol@caritas-europa.org)

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