

Democratic Scrutiny of EU aid



**Benchmarks for scrutiny
of the joint EU programme to
Africa, Caribbean and Pacific countries**



The European Union's adoption of the joint country programmes for the countries of Africa, Caribbean and Pacific (ACP) regions will take place in the coming weeks and months. The EU's support for the activities of this joint cooperation is financed from the European Development Fund (EDF) and the Development Co-operation Instrument's (DCI) thematic programmes. The EDF, which is still subject to ratification by the EU's Member States, is endowed with € 23 billion for the period 2008 to 2013. The DCI thematic strategies have a provision of € 17 billion for the period until 2013.

Overall the EU has a commitment to increase its ODA based on the consensus that the achievement of the MDGs is a priority of its cooperation with the South (GAERC, May 2005). The country programmes are set out in Country Strategy Programmes (CSP), and the programmes to be approved will cover funding until 2013. To a large extent what is adopted at this stage in the planning cycle will determine the EU's contribution to the achievement of the MDGs in Africa to help eradicate poverty.

The programmes should be in line with the EU law on development co-operation, especially:

- The EU Treaties (art 179) which establishes the legal base for co-operation with developing countries, and identifies poverty reduction as its principal objective;
- The ACP-EU Cotonou Agreement, which is a legally binding agreement for co-operation between the ACP countries and the EU;
- The Development Co-operation Instrument, which establishes the legal framework for EC development policy. It includes co-operation with ACP countries within the framework of its thematic programmes.

The EC programme is further aligned to the principles of the Paris Declaration, which promotes ownership, alignment of actions, harmonisation of approaches, placing emphasis on results and mutual accountability.

The ACP CSPs draw resources from the EDF and the DCI. It is in the public's interest that democratic accountability is ensured for the ACP CSPs, and that these are scrutinised in terms of their compliance with the EU Treaty, the Cotonou Agreement and the DCI. Two requirements follow from this:

- The European Parliament should scrutinise the ACP CSPs, in line with its scrutiny of CSPs to other regions;
- The ACP-EU Joint Assembly and ACP national Parliaments should jointly assess ACP-EU co-operation.

The following are key issues that should guide the approval and consultation processes of the country programmes of the joint EU programme to the ACP, and ensure the CSPs promote the MDGs.

1. Ownership

The European Commission should demonstrate that it has complied with the provisions for broad consultation set out in the Cotonou Agreement (Articles 4 and 19.3) and the DCI (Articles 19.3 and 20.2) to ensure broad ownership of the CSP.

The country programmes are aligned to the Paris Declaration on aid effectiveness, and ownership is essential for harmonisation with national programmes of partner countries. The Cotonou Agreement sets out clear criteria for consultation with partner government and civil society actors (Articles 4 and 19.3) – as does the EU Development Co-operation Instrument (Articles 19.3 and 20.2). Several studies¹ have demonstrated that the Commission failed to establish a systematic policy to ensure the consultation processes took place and were properly conducted. As a consequence consultations did not happen or were unclear. There is also evidence that social Ministries of ACP states were not included in the process of preparation of the CSPs, while others, such as on

1. Eurostep, (2006), We decide, You "own"! An Assessment of the Programming of European Community Aid under the 10th European Development Fund (EDF)

trade and transport were consulted extensively². The Commission should identify its policy for ensuring a consultation process in the ACP countries and provide information on the consultations that did take place in each country, including with whom, when, the records of meetings, and the impact that these had.

2. Health and Education

The European Commission should demonstrate that ACP country programmes promote the MDG sectors, and will ensure that the target of 20% to basic health and education is achieved by 2009.

Every year since 2001 the European Union Budget has specified that 20% of all EU aid, including aid to ACP countries, should be allocated to basic health and education and that 35% should be allocated to social sectors. The Development Cooperation Instrument (DCI) includes a declaration that the European Commission has agreed to implement these targets by 2009³. While the country programmes to Asia and Latin America reflect an attempt to comply with these targets, this is not the case for the ACP countries, despite international studies showing that Africa is furthest away from achieving the MDGs⁴. Provisional information on 70 draft ACP CSPs show that health has been included as a priority for 8 countries and education for 9 countries⁵. Many ACP countries are trying to cope with serious problems in their health and education sectors, not least persistent financing gaps. The European Parliament has asked for increases to social sector support in resolutions 2005/2141 on aid effectiveness and corruption in developing countries and 2006/2079 on budget aid for developing countries.

On the basis of a number of recent studies⁶ and from information made available by the Commission⁷ it can be concluded that the EC will be allocating some 6% of the development assistance destined for the ACP to support health and education⁸, besides General Budget Support. This compares with 10% over the previous period.

3. Gender justice

The European Commission should identify how gender inequality is addressed in the preparation of the CSPs and what support is being planned to end violence against women, remove educational disparities between boys and girls and support maternal health and fight child mortality. It should also identify what consultations have taken place with advocates of gender justice.

The MDGs identify the promotion of gender equality as a key element, with specific targets linked to maternal health and child mortality. The spread of HIV/AIDS is associated with violence against women. The disparity between provision of education for girls and boys is a key issue identified in the MDGs, perpetuating gender injustice and backwardness. The EC policy of treating gender equality as a cross-cutting issue results in a standard

2. Alliance2015, (2007), *2015-Watch: The EU's contribution to the Millennium Development Goals- Halfway to 2015: Mid-term Review*, p. 43

3. *Communication from the Commission to the European Parliament pursuant to the second subparagraph of Article 251(2) of the EC Treaty concerning the common position of the Council on the adoption of a Regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation COM (2006) 628*

4. *United Nations, (2007), Africa and the Millennium Development Goals – 2007 Update*

5. *European Commission, EDF 10 sectoral breakdown, http://ec.europa.eu/development/Geographical/Maps/domaines_de_concentration.pdf*

6. *CONCORD, (2007), Briefing Paper – ACP-EU Relations: Will the EU deliver on its promises?*

7. Alliance2015, (2007), *2015-Watch: The EU's contribution to the Millennium Development Goals- Halfway to 2015: Mid-term Review*

8. *Alliance for Global Health, (2007), An Unhealthy Prognosis? The EC's development funding for health*
Alliance for Global Health, (2007), Health Warning: Why Europe must act now to rescue the health Millennium Development Goals

7. *European Commission, EDF 10 sectoral breakdown, http://ec.europa.eu/development/Geographical/Maps/domaines_de_concentration.pdf*

8. *This is EC funding for health (3.3%) and education (2.7%) as focal sectors identified in the CSPs. The calculation is based on the total available for country programming, which is some € 10 billion of the overall EDF 10 total funding available of € 23 billion.*

formula in the CSPs. It often does not effectively translate into specific measures to address problems associated with injustices in the area of gender equality.

4. General Budget Support

The Commission should ensure that Country Strategy Papers identify the conditions under which General Budget Support is agreed with the partner country and that it includes long-term predictable financing for recurrent costs such as salaries for teachers and health workers.

The European Commission is spearheading the use of General Budget Support, and estimates that on the basis of the current programming process one quarter of all financing of the ACP country programmes is intended to be financed through macro-economic support. This is in comparison with support in Asia and Latin America where general budget support has not grown substantially.

General Budget Support has the potential to be an effective instrument that provides medium to long term predictable finance⁹. This is vital for building effective systems for health and education, for which the training and employment of millions of health workers and teachers is essential around the developing world. It is therefore important that the use of General Budget Support is explicitly linked to meeting the Millennium Development Goals, and that the review mechanism for monitoring the use of national budgets have this as a central objective.

5. Credible statistical accounting

The European Commission should confirm it will adhere to OECD/DAC rules for statistical accounting of its sectoral spending.

The European Commission has an obligation to report its sectoral contributions to the European Parliament, to Member States and the OECD/DAC. It is in the public interest that the figures provided are correct and follow the international standards that have been agreed within the OECD/DAC. The statistical rigour of figures presented should remain a key priority of the European Commission.

6. Regional co-operation and Trade

The European Commission has given clear emphasis to following the European Partnership Agreements on Trade (EPAs) in its regional programmes. ACP countries have insisted that the money be additional and not simply taken from the existing ODA pool of funds.

Priority has been given to support to trade, while other regional programmes are discontinued. There appears to be very little place to include focal sectors other than EPA-related activities in the regional programmes. This undermines the continuation of cooperation activities that have been undertaken under previous EDFs. It diverts resources away from other development objectives. Meanwhile the promise that support to trade for the necessary adjustment to the EPAs be financed separately from and in addition to the 10th EDF has not been realised. Support to the EPAs has undermined aid to the MDG-sectors. Moreover, the expected delay in the ratification of EDF 10 raises serious doubts in relation to the effectiveness of such support for adjustment to the EPAs.

The Aid for Trade initiative by the European Commission is intended to cover adjustment costs.

⁹ EU support through General Budget Support includes a 3 year commitment. Under proposals being developed in the Commission this could be extended to 6 years within a concept of MDG contracting.

7. Environmental sustainability

The European Commission should promote environmental issues in country and regional strategies and programmes, as well as in its continuing political dialogue with partners on EU Development Cooperation. It should ensure that tools identified to integrate environment concerns such as environmental profiles, environmental impact assessments and strategic environmental assessments are used comprehensively, systematically and transparently.

MDG 7 highlights environmental sustainability and the imperative to halt the current loss of natural resources. Across sub-Saharan Africa, the rate of environmental degradation is a liability which will undermine progress in overcoming poverty. This is exacerbated by the predicted impacts of climate change on freshwater, agricultural production and vulnerable communities. The European Consensus calls for strengthened action on the integration of the environment in geographic programmes and the Cotonou Agreement states that the principles of sustainable management of natural resources and the environment shall be applied and integrated at every level of the partnership.

8. Governance

The European Commission should make public its governance profile assessments for each country. It should also publish information about what activities are funded under the governance profile incentive tranche.

Governance, based on respect for human rights and the rule of law, is crucial for the achievement of the MDGs. However, the use by the Commission of the governance profiles seems to be as much about the pushing particular approaches to development as it is about seriously promoting effective governance. The criteria used for decision making about additional incentive financing relate more to issues rooted in the EU's own interests - such as migration, counterterrorism, and trade liberalization - than universally agreed core concepts of good governance practice. The promotion of concepts of gender equality and universal access to basic social services is hardly evident. This causes confusion and can be detrimental to a true concept of governance.

September 2007

Democratic Scrutiny of EU aid

Benchmarks for scrutiny of the joint EU programme to Africa, Caribbean and Pacific countries

The Benchmarks have the support of the following organisations:

International Organisations and Networks	
Organisation	Country
Alliance 2015	Europe
Aprodev	Europe
Christian Blind Mission International	International
Eurostep	Europe
Fern - The Forest and the European Union Resource Network	Europe
LDC Watch	International
Oxfam International	International
Social Watch	International
World Vision International	International
World Wide Fund for Nature (WWF)	International

National Organisations	
Organisation	Country
Alliance Sud	Switzerland
CESVI	Italy
Bulgaria Gender Research Foundation	Bulgaria
Concern Worldwide	Ireland
Demetra Association - Burgas	Bulgaria
Deutsche Welthungerhilfe (DWHH)	Germany
DSW (German Foundation for world population)	Germany
Europe External Policy Advisors (EEPA)	Belgium
Fundatia pentru Dezvoltarea Societatii civile (FDSC)	Romania
Hivos	Netherlands
IBIS	Denmark
KEPA	Finland
Kopin	Malta
Netherlands Institute for Southern Africa (NiZa)	Netherlands
Marie Stopes International	UK
Oikos	Portugal
SNV - Netherlands Development Organisation	Netherlands
Somali Organisation for Community Development Activities (SOCDA)	Somalia

The Benchmarks for the Scrutiny of the joint EU programme to Africa, the Caribbean and Pacific sets out the expectations that civil society organisations have of the European Union's cooperation with the countries in Africa, the Caribbean and Pacific regions in the period from 2008 to 2013. It is supported by individuals, civil society organisations and networks both inside and outside Europe. A list of those who support the Benchmarks can be found at:

<http://www.acp-programming.eu/wcm/content/view/1377>