

ACP-EU JOINT PARLIAMENTARY ASSEMBLY

NOTICE TO MEMBERS

Members will find attached the follow-up given by the European Commission to the resolutions adopted by the ACP-EU Joint Parliamentary Assembly during its 15th session from 17 to 20 March 2008 in Ljubljana (Slovenia)

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Follow up of the European Commission to the Resolution of the ACP-EU Joint Parliamentary Assembly (Ljubljana, Slovenia, 17-20 March 2008) on "Social and Environmental Consequences of Structural Adjustment Programmes"

The European Commission welcomes the comments and concerns expressed in this Resolution, while recognizing the need for a balanced perspective in assessing the consequences of structural adjustment.

In particular, the Commission:

- Acknowledges that structural adjustment has been a contentious issue, and that the resolution makes some valid criticisms. Structural Adjustment Programmes (SAPs) have indeed been heavily criticised in the past for imposing inappropriate economic policies that were not well adapted to specific country circumstances, causing serious cutbacks in social expenditures and impacting disproportionately on the poor (e.g. "Adjustment with a Human Face", UNICEF, 1987).
- Also emphasises also that the pre-adjustment situation was in many countries unsustainable, and that some kind of reform was therefore unavoidable. In particular, sound macroeconomic management remains an important and necessary element of any reform programme, even if not a sufficient one.
- Acknowledges also the importance of private enterprise and the potential benefits of privatisation, while recognising the need for effective competition and sound regulatory competence, and the importance of ownership of such critical policy reforms.
- Welcomes the renewed uptake of employment, social policy, decent work and wider social dimension of globalisation in international policies, to which it has actively contributed through proposals on the social dimension of globalisation, the external dimension of the European Social Agenda, and the European Consensus on Development.
- Notes that there has been some evolution of WB/IMF programmes to respond to critics and lessons learned which the EU has actively encouraged, particularly with respect to a stronger emphasis on poverty reduction, on the importance of government ownership, and on the importance of institutions and effective states. But there is clearly scope for further reforms.
- Highlights the role of the EU and EC in seeking to ensure that some of the adverse consequences of structural adjustment are mitigated. For example, EC budget support operations have often sought to protect social expenditures.

In an effort to improve the effectiveness of aid, the EU is supporting reforms in a number of areas that are relevant to this resolution, and which will be the subject of the third High Level Forum on Aid Effectiveness to be held in Accra in September 2008. In particular:

- The EU is promoting greater division of labour to reduce duplication, heavy organisational and administrative burden as well as high transaction costs for both partner countries and donors.
- The EU also supports making the fullest use of partner country systems in order to make administration of aid less burdensome for partner countries, to harmonise donor approaches at country level and align to national policies, procedures and systems.
- The EU is also promoting greater predictability in aid flow programming, commitment and disbursement, in order to support the more effective absorption and expenditure of aid. The EU recognises that this is needed to facilitate the short, medium and long term planning, budgeting as well as the execution of expenditure by partner countries. Improved predictability of aid flows and improved budgeting, resource allocation and implementation will also facilitate improved transparency on application of resources. It will enhance the democratic scrutiny of public finance management, enabling partner governments to account to their parliaments and citizens on the full use of (domestic and external) development resources.
- The EU also believes transparency and accountability of aid are essential means to increase democratic control over finances and to guarantee that aid reaches its intended beneficiaries. Both donors and the partner countries must be accountable for how aid is oriented towards the achievement of development results. Accountability is essential both between donors and recipients, but also towards citizens within partner countries and donors alike. Increased accountability leads to increased trust and more equal partnerships.
- The EU also acknowledges that while donors need assurances that aid reaches its intended beneficiaries, the current approach to conditionality, in which multiple actors set their own a priori conditions, needs reform. Instead, the EU believes that conditions should be based on development goals and performance targets, drawn from partner countries' own plans, strategies and policies and confirmed in mutual agreements between partner countries and donors. Conditions should be designed in a transparent manner so as to make them more effective at improving predictability, allow for a maximum degree of partner countries' policy options and promote sustainable development results. There is a need to move away from unilaterally imposed policy conditions towards mutually agreed commitments formulated in terms of performance measures and outcomes. This will also enable the dialogue between partner countries and donors to become more focussed on key development issues and results rather than individual donor conditionalities.

Against this background, the Commission broadly supports the resolution's key findings and conclusions, and many of its particular calls for action. In particular, the Commission:

- Agrees with the calls to reform conditionality (para.6), which the Commission has been supporting for some time and implementing through its approach to budget support with a strong focus on outcomes and results.

- Endorses the emphasis on stronger political and operational cooperation with UN institutions, particularly the ILO (para.14) with regard to the decent work agenda.
- Is encouraging the IMF to consider alternative fiscal scenarios that would enable faster progress towards the MDGs, while maintaining macroeconomic stability, wherever resources are available (para.17). In this regard, the Commission recognises the importance of donors making longer term, more predictable aid commitments, and is seeking to improve its own performance in this respect through innovations such as the MDG-Contract.
- Welcomes and appreciates the positive comments about the scale and role of EU assistance in mitigating the more harmful effects of structural adjustment in the transitional period before its benefits were felt (para.19). The Commission also acknowledges the importance of making progress towards the 0.7% aid/GNI target, and Europe's leading role as provider of scaled up aid.
- Highlights the EU's commitment to improve the effectiveness of its aid by strengthening ownership and harmonisation (para. 28) and predictability.
- Strongly agrees with the importance of sound public financial management and the rigorous application of the PEFA framework (para.22), which the EC has already identified as its diagnostic tool of choice. The Commission also strongly agrees with the importance of governments being held accountable to their citizens with regard to management of public finances (para.31). Improving public financial management is an important part of our development assistance, particularly in countries where we provide budget support. The EC also strongly supports the principle of the EITI (Extractive Industries Transparency Initiative).
- Supports the call for increased coordination of donor support while strengthening country ownership (para.45), which are strong features of the Paris Declaration on Aid Effectiveness and the European Consensus on Development. The Commission has been actively promoting this in preparation for Accra.
- Endorses calls for EU representatives to better coordinate their positions on the boards of the WB and the IMF in line with EU development objectives (para.47), and the call for further improvements in the decision-making mechanisms of the IFIs to give appropriate weight to developing countries (para.48), a process in which the Commission is already engaged.

Follow-up of the European Commission to the Resolution of the ACP-EU Joint Parliamentary Assembly (Ljubljana, Slovenia, 17-20 March 2008) on "Experiences from the European Regional Integration process relevant to ACP countries"

The European Commission welcomes the Resolution on "Experiences from the European Regional Integration process relevant to ACP countries" and shares the large majority of its analysis and recommendations. The Commission considers this resolution as an invaluable contribution to its own reflections on the topic of regional integration in ACP countries, and indeed used it as a key input for the preparation of a Commission Communication on "Regional Integration for Development in ACP countries", to be adopted in October 2008.

More specifically, the Commission agrees with the fundamental principles and main areas highlighted by the Resolution:

Principles on which to build strong regional integration

- The Commission agrees that regional integration should be based on solid grounds of transparency, accountability, tolerance and mutual respect, and that pooling sovereignty brings more influence for each country. It is paramount that strong political will prevails in support of agreed goals, regional institutions and implementation of regional policies and commitments at national level.
- The Commission acknowledges the significant progress in ACP regional integration over the last decade, notable achievements being efforts to create free-trade areas and customs unions. Yet many challenges remain and vast benefits are still to be reaped from further regional integration.

European experience

- The Commission fully shares the Resolution's assessment of the factors and parameters that contributed to the success of 50 years of European Integration: strong political will and readiness to accept compromises for the benefit of the common project; strong institutions; intra-European liberalisation coupled with solidarity and regulatory and budgetary policies; the help of territorial continuity and external aid; compliance with the rule of law at both national and European level; contribution of regional integration to reduction of disparities in the levels of development.
- The European experience is a point of reference for many ACP regions. The political goals and the specific objectives of regional integration are broadly similar, and all see regional integration as the process of overcoming, by common accord, political, physical, economic and social barriers that divide countries from their neighbours, and of collaborating in the management of shared resources and regional commons. Yet the methods used in ACP regions more often rely on consensual cooperation and coordination than on supranationalism and sovereignty-sharing as is the case in the EU.

Reconciliation and conflict prevention

- The Commission agrees that political stability is a pre-requisite of economic development and that regional organisations play an increasing role in defusing conflicts within and between countries. Regional integration also helps tackle the

root causes of conflicts by building trust, enhancing understanding between groups and deepening interdependence.

- The Commission supports the efforts of regional organisations to be more active in this field. The next 10th regional programmes will provide, in all regions, support to the regional mechanisms to foster peace and stability, prevent and manage conflicts, and fight security threats (such as organised crime), thus furthering a broadly-defined regional human security agenda. In ESA and West Africa, 10% of the RIP will be dedicated to this area. In Western Africa, SADC and ESA, EDF support will help strengthen the regional pillar of the pan-African architecture of peace and security.

Institutional set-up and regional agendas

- The Commission agrees with the need for stronger institutions and clearer mandates for regional organisations. It would consider the lack of an adequate mandate or of the necessary legal and political tools for effective policy implementation as one major handicap in the current stage of regional integration in the ACP.
- It is worth also mentioning that institutional capacities at regional and national level to implement agreed policies and objectives are generally weak. The EC has been and remains a major provider of capacity building of regional organisations. Renewed efforts will also be made to strengthen national capacities to implement regional policies.
- The Commission also shares the point about the need for simplification of the institutional architecture and integration agendas, as they are often characterised by overlapping mandates and memberships. This is particularly important in Africa with the ongoing rationalisation exercise undertaken by the African Union and the long-term objective of continental integration. Such rationalisation exercise should strengthen the building blocks of an eventual single economic African entity while seeking to minimise barriers to trade between African regions. In the context of the Joint EU-Africa Strategy, the EU will cooperate with the African Union and its Commission to that effect.
- The Commission also considers an interesting avenue the idea of a regional integration monitoring system, to be developed and owned by ACP partners themselves with EU support. The EU could for instance encourage cross-regional exchanges of experience and possible peer reviews on regional integration agendas (in Africa, including the African Union) as well as activities of academic institutions dedicated to the analysis of regional integration and, in general, all initiatives about monitoring regional integration in ACP countries – including those related to EPAs.

Democracy and good governance

- The Commission agrees that transparency and democratic accountability of the regional integration processes is essential for them to be sustainable in the long term. There is indeed an insufficient ownership of regional integration processes, in particular from the part of civil society and national administrations, and there is room for more importance given to governance at regional level.

- The Commission encourages the stronger involvement of a broader diversity of stakeholders at both national and regional levels. It for instance encourages the creation of regional business forums where they do not already exist, and supports the creation or reinforcement of regional civil society forums and parliamentary committees designed to oversee regional integration. All 10th EDF regional programmes will contain actions in support to good regional governance, with an emphasis on capacity-building for non-state actors. The EC also supports the African Peer Review Mechanism with regard to improvement of governance.

Economics and trade

- The Commission would like to emphasise the value of regional integration to foster economic development in ACP countries. ACP economies are faced with the need to overcome the continued fragmentation of regional markets, the lack of diversification of national economies, and the high dependence on a small number of export commodities, and to better implement existing and future economic integration agreements (e.g. free trade agreements). In these circumstances, regional integration will create larger markets and more effective, harmonised regulations for economic operators. The free movement of goods, services, capital and people improves the allocation of resources, in turn allowing economies of scale, stimulating investment and spurring economic growth with employment. A right mix of increased regional competition and moderate but efficient extra-regional protection permitting the development of new industries and sectors allows smooth integration into the global trading system and makes regional integration a vehicle for growth and accelerated poverty reduction.
- The Resolution rightly points out the potential for south-south trade. Indeed, African countries trade more with the EU than within their own region. A lot remains to be done in the field of trade integration, particularly with regard to effective implementation of regional commitments in trade in goods (FTAs, customs unions), integration of the services sector and investment as part of the regional agendas, reduction of technical barriers to trade and harmonisation of sanitary and phytosanitary standards, and macro-economic coordination to mitigate the impact of regional currency volatility on intra-regional trade.
- The Commission takes note of the Resolution's comments on EPAs and interim agreements. The shared aim of the EU and ACP partner regions remains to conclude comprehensive regional EPAs, as they will help strengthen the governance of regional integration and consolidate the integration of regional markets, particularly in the above-mentioned challenges (effective implementation of regional trade commitments, expanding regional trade in services and promoting investment within the region and with the EU, establishing more transparent, stable and friendly regional rules).
- The EPA contribution to development will be ensured through taking account of the different needs, levels of development of the ACP countries and stages of existing regional integration processes, as the Commission agrees with the Resolution that EPAs need to build upon and foster existing regional integration processes. In addition, given that EPAs entail reforms at regional and national level, they will contain development cooperation provisions that commit the EU to support these

EPA-related reforms in order to maximise the benefits and minimise the costs of the new trade regime between the ACP regions and the EU.

- The Commission acknowledges the concerns expressed by ACP partners and the existence of some outstanding problematic issues. These will be addressed in a flexible way, while ensuring that progress is made towards full regional EPAs. The EU and its partners remain firmly engaged in pursuing full and comprehensive EPAs with all countries of a region.
- The Commission welcomes the emphasis put by the JPA on the importance of cohesion mechanisms and solidarity funds. It agrees that if regional integration is to be legitimate, not only should it be democratically accountable, but it should also ensure that the benefits of regional integration are spread evenly across territories and social groups. To this end, national and regional redistributive policies are important to contribute effectively to growth and poverty reduction, thus strengthening regional solidarity. The Commission is prepared to support financial mechanisms that regions would set up, as is the case for instance in the case of the COMESA fund. It is also interested in pursuing exchanges of experience in the area of cohesion policy.
- The Commission agrees with the importance of regional infrastructure networks to enable effective economic integration to take place. The lack of interconnectivity of basic economic infrastructure (roads, railroads, power grids, telecoms networks) generates high related costs for intra-regional transports and utilities. The EU supports the increase of the infrastructure stock, with an emphasis on completing the "missing links" between countries' road, energy and telecommunications networks. EC support to the EU-Africa Partnership on Infrastructure that was established in 2006 will be scaled up by 50% between 2008 and 2013, and accompanied by EU Member States contributions. The EU-Africa Infrastructure Trustfund, set up in 2007, pertains to this initiative as an innovative tool to leverage grants and loans and public-private partnerships. Similar mechanisms are being considered for the Pacific and the Caribbean.
- The Commission would also point out the potential for more regional intervention in the area of business development. There are a number of significant areas for economic integration where regional action would add value: the improvement of the regulatory environment; the strengthening of productive capacities, the development of financial regional markets to mobilise efficiently regional and external capital for business development, in particular SMEs; the promotion of inter-enterprise co-operation to foster production networks and supply chains as well as networks of business intermediary associations.

Functional cooperation

- The Commission fully agrees that regional trade liberalisation is not sufficient to generate solidarity and stimulate sustainable development. There are "regional public goods" to protect and only cooperation between neighbouring countries can address challenges of a trans-national dimension. There is a need for regional policies to address common challenges in support of sustainability in order to minimise the negative externalities of enhanced economic integration and to maximise the positive synergies between economic integration and sustainable growth.

- The Commission also agrees with the areas with an important potential for regional cooperation which are highlighted with the Resolution. In the area of food security and agricultural production, harmonisation of policies and standards, regional information systems and exchanges allowing better-functioning regional markets for food and agricultural inputs, and management of regional food stocks can help improve food security. With regard to trans-boundary environmental problems, the common management of natural resources is the right answer, in particular as regards the sustainable management of fisheries, forests and water basins. The Commission would also highlight the interest of developing science and technology capacities to enhance science's contribution to tackling shared problems and to reducing poverty and fostering growth.
- In these areas, the Commission is supportive of the idea to increase experience sharing with ACP regions, as a number of EU common policies are most relevant to ACP challenges: sanitary and food safety, agriculture, transports, environment, energy.
- The Commission would like to recall that it has been a longstanding supporter of regional integration in ACP countries through the European Development Fund (EDF). Over the period 1996 to 2007 (8th and 9th EDF), a total of €3.2 billion supported projects with a regional focus. The main area for support was sustainable development with €1.2 billion, followed by infrastructure development (€777 million) and business development (€524 million).
- Over the next years, the 10th EDF regional programmes will be the primary instrument of EC support to ACP regional integration. While the overall EDF substantially increased from the 9th to the 10th EDF, the regional envelope almost doubled to €1.78 billion, reflecting EU-ACP consensus on the importance of regional integration for development.
- The draft Regional Strategy Papers (RSPs) and Regional Indicative Programmes (RIPs), which include a jointly-agreed analysis of the state of play and the challenges of regional integration as well as a joint response strategy, will directly support the areas highlighted by the Resolution. They give considerable attention to regional economic integration, with almost 75% of the indicative envelope, i.e. €1.3 billion, devoted to this area. Within this economic agenda, the programmes focus on specific regional priorities, with an emphasis on the completion of more integrated markets (in all regions); the development of productive capacities (particularly in ESA, West Africa and Central Africa); and the improvement of infrastructure networks (particularly in ESA and SADC). There will be a particular focus on EPA support measures: in the Caribbean, which has already concluded an EPA, almost half of the RIP (€75 million) will be dedicated to EPA commitments.
- As recommended by the JPA, RSPs will not only support trade and economic integration. Reflecting the diversity of ACP regions, they will also give priority to various aspects of sustainable development. This is, in particular, the second focal sector in the Pacific (fisheries) and in Central Africa (forestry). Food security and agriculture will be supported in West Africa, and land, water and marine resources management in ESA.

Follow up of the European Commission to the Resolution of the ACP-EU Joint Parliamentary Assembly on "Food security issues in ACP countries and the role of ACP-EU cooperation"

The Commission welcomes this resolution on such an important theme and fully agrees on the absolute necessity to step up commitments to MDGs whose attainment could be seriously put at risk by the food crisis generated by the surge in food and agricultural inputs prices. As a crucial element of a response strategy, it also strongly supports the need for appropriate medium long term social policies targeted towards the poorest segments of population in developing countries together with the need for encouraging at the same time a positive supply response from farmers in these countries. This twin track approach, promoted by the UN High Level Task force on Food Crisis, is also at the heart of the Commission's proposal for setting up a one billion Euro short term Food Facility in support of affected countries.

The Commission notes with great interest the focus of the report on agricultural policies and welcomes the call for an urgent and substantial increase in investment in agriculture, food security and rural development focused on poor farmers and small-scale farming.

It also acknowledges the increased need for cooperation with the developing countries on climate change, desertification, land degradation and drought to improve food security and access to water. Appropriate investment in agricultural research for development is also crucial.

EDF priority sectors

With reference to 9th EDF priority sectors, the selection took place in 2001. We must now consider the 10th EDF programming where 25 ACP countries selected agriculture, food security and/or rural development as sector of concentration for cooperation, with a doubling of funds (reaching €1, 2 billion) in comparison with 9th EDF.

It is not up to the Commission to include systematically a specific priority programme for agricultural development – the EDF programming process implies ownership of recipient countries in determining what the key areas of cooperation should be. In line with the Paris Declaration principles, the Commission has agreed to concentrate its development cooperation with individual countries on a few sectors only – but the choice of the sectors is a joint responsibility.

In Africa, the EC supports the Comprehensive African Agriculture Development Programme's (CAADP) agenda, which is an African initiative. CAADP foresees the conduct of Country Round Tables in each country which should lead to reviews of policies and programmes and to a renewed investment agenda. These round tables should be conducted with the involvement of all stakeholders, including farmer organisations and NGOs. In this context, the Commission will support sub-regional farmers' organisations in Sub-Saharan Africa for €5 million under the 2008 Annual Action Plan of the Food Security Thematic Programme (EC budget funded).

The right to food

In its Communication "The EU - a global partner for development – Speeding up progress towards the Millennium Development Goals" and its accompanying Staff

Working Papers, the Commission has called the Member States to provide a strong collective response to the global development challenge, in particular of attaining all MDGs, and called for urgent action to be taken. The Council, in its May 2008 Conclusions, has reaffirmed the EU commitment to meet its 2010 and 2015 ODA targets, to support the implementation of the principles of the Paris Declaration, to improve on aid effectiveness as well as to continue improving policy coherence for development. In this framework, the EU adopted an Agenda for Action on MDGs. The proposal identifies specific milestones and actions within time-frames in key areas such as education, health, water, agriculture, growth and infrastructure. These examples of actions could constitute an EU offer to developing countries and the international community aiming at contributing to ensure the achievement of the MDGs by 2015 with a view, among other objectives, to eradicating hunger by 2015.

For giving a more concrete content to the right to food, the Commission also wishes to insist on the necessity to support the establishment or expansion of cash-based safety nets for the most vulnerable groups including direct social transfers whose institutionalisation and sustainable financing, in the framework of broader social policies, should be accompanied, preferably under form of budget support where possible.

Agricultural exports subsidies

About export subsidies, the Commission recognizes the need to limit trade distortion due to agricultural policies. This is why successive CAP reforms since 1992, and in particular since 2003, are consistently reducing the share of trade distorting subsidies. The EU is using export refunds less and less and it seems that they will be needed even less in the future due to the new situation prevailing for international agricultural and food prices. In this field, a change of era could be observed. The new context of high international food prices is a potential chance for ACP agricultural sectors even if uncertainties remain about the price effect transmission to farmers throughout the value chains.

Economic Partnership Agreements and fair international trade

The Commission considers that trade liberalisation in developing countries is a tool for development, and not a goal in itself. In that sense, it should be implemented progressively and selectively, with transition periods and designation of sensitive products where relevant, notably on the basis of food security considerations. The Commission applies this approach in its trade negotiations, multilaterally (where the EC has called for "a round for free for LDCs" as regards DDA), or in some cases bilaterally (notably in the EPAs, which are markedly asymmetrical in favour of the ACP).

Responding to the development needs expressed by ACP countries is very much the spirit in which EPA negotiations have started again this year as stated in the Joint Resolution of the ACP-EU Council of Ministers (Addis-Ababa, 13 June 2008) on EPAs and Regional Integration, notably: "The Council expresses its commitment to make every effort to ensure that all regions conclude WTO compatible full EPAs, within agreed timeframes and with due regard for ACP political choices, development priorities and administrative capacities in order to release their entire development potential. To achieve this goal, and acknowledging concerns identified by ACP states, the Council recognises the value of a flexible and pragmatic approach when moving

from interim agreements towards regional EPAs, and, in this context, ACP requests for adjustments will be taken into account where appropriate, to the benefit of regional integration. (...) The Council underlines that EPAs need to build upon, foster and support existing regional integration processes, and enhance their overall contribution to sustainable development, food security and poverty reduction." The Commission recalls that, in order to meet this challenge, EPAs must be accompanied by the promised new funding for Aid for Trade (€2 billion a year by 2010) and by the promotion of regional integration.

Climate change

The European Union has launched the building of a Global Climate Change Alliance with poor developing countries most vulnerable to climate change, in particular Least Developed Countries (LDCs) and Small Island Developing States (SIDS). The Alliance aims at enhancing cooperation between the EU and these countries on climate change, and in particular on adaptation - especially in the water and agricultural sectors - and disaster risk reduction. The European Commission has made €60 million available for this initiative, and expects contributions from EU Member States; overall EC funds available in these areas are however much larger (in the range of €300 million). The Global Climate Change Alliance has equally renewed the EU's commitment to integrating climate change into its development cooperation; adequate tools are under development. The Commission has recently signed an agreement with the ACP Secretariat on the establishment of a Global Index Insurance Facility (GIIF) for an amount of €25 million. The GIIF aims to reduce the vulnerability of ACP population to external shocks/ natural disasters by expanding the use of index insurance as a risk management tool.

Decrease of food aid

Over the past years, food aid has indeed decreased and thus increasingly became a short term instrument used for emergency and humanitarian interventions, which is rather positive with regard to the potential negative effects this instrument can have on local agricultural productions. If the overall amount of food aid since 1999 to 2007 has decreased from 15 million to 6.7 million tonnes, it has to be recalled that emergency food aid has increased its share to 63% whereas the shares of both project and programme food aid have decreased. However, the growing international cereals prices represent a new challenge for emergency food aid supplies in the coming months and years.

In 2008, the EC support to humanitarian aid through DG ECHO reached €363 million.

Agricultural research for Development

EC support to agricultural research for development has been up-scaled in order to meet the new challenges. This support is currently standing at around €32.5 million per year, with a perspective to double it from 2008, to reach an average of €63 million per year for the next three years. The Commission is supporting agricultural research at various levels: national, continental and global, in close coordination with other donors, in particular the EU ones, through the European Initiative on Agricultural Research for Development (EIARD). The Commission is promoting a change in research approach

from the top-down technology transfer paradigm to a demand-based approach, which includes farmer organisations, civil society organisations, and the private sector. This bottom-up innovation system approach will allow to better target research to specific regions and countries.

Water and irrigation

The 2002 Commission Communication on Water Management in Developing Countries, approved by the European Council, calls for partnerships between public, private and civil society actors to be promoted, ensuring that those partnerships remain equitable and transparent, allow free and reversible choices on water services management, safeguard consumers' and investors' interests and maintain high standards of environmental protection. In any case, the Commission has a policy that the involvement of the private sector in the delivery of water and sanitation services is a national or local government choice.

Lessons from past failures with respect to irrigation schemes (particularly large ones) need to be incorporated in new initiatives. Irrigation should be seen as one of the options in enhancing production in the framework of sustainable land and water management.

Gender equality

The Commission fully agrees that there is no real development without gender equality. Gender equality has particular importance in food production and food security since in many developing regions women produce up to 80% of basic foodstuff.

HIV/AIDS

The Commission shares the concerns expressed in the resolution regarding the challenge to food security of the HIV/AIDS epidemic, which in the most affected countries is severely aggravating famine and malnutrition as it hits particularly hard on the most productive age groups of the populations. Equally important, food insecurity may force people to adopt high-risk behaviour such as trading sex for food just to survive, and poor people who are affected by HIV/AIDS need both treatment and food.