

# **ACP-EU JOINT PARLIAMENTARY ASSEMBLY**

**18th session from 30 November – 3 December 2009**

**LUANDA  
(Angola)**

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## **Reply to question 1**

**By L. Michel**

It is correct that the aim of the present revision exercise is to adapt the Agreement to new realities, particularly globalisation and growing interdependence that more than ever call for strategic partnerships based on mutual interests and common objectives. Cotonou is the longest standing of such partnerships. The revision of the Agreement provides an excellent opportunity to developing it further, and by doing so maintaining its relevance.

Globalisation and increasing interdependence have, among others, boosted regional differentiation. The challenge is now to find the right balance between differentiation within the ACP group and the unity of the ACP.

This would entail that we jointly identify as to how regional integration, Economic Partnership Agreements (EPAs) and regional cooperation with non-ACP developing countries can be accommodated within the overall Cotonou framework. Only a pro-active approach will enable us to capture the existing centrifugal forces that risk undermining the cohesion of the ACP group and of the partnership as a whole.

This means in concrete terms that we need to better take into account the opportunities offered by the Joint Africa-EU Strategy, the EU-Caribbean partnership and the special Pacific strategy, which respond to regional initiatives led and owned by ACP countries.

In addition, we need to reflect the fact that, with the negotiation of Economic Partnership Agreements (EPAs), our trade relationship is becoming a region-to-region relationship. This does not reduce the role of the ACP Group, which remains the forum for discussing issues of interest to all ACP countries – including EPAs.

Within the context of the Joint Africa-EU Strategy, cooperation with the African Union has developed strongly; the EU side has proposed to make reference in the Agreement to the key role of the African Union in matters related to peace and stability.

As regards the ACP-EU institutions, our aim is to re-energize their functions by creating synergies between them and the institutions established by the EPAs. The synergies will relate to the flow of information, monitoring of matters of all EPA relevance, and the frequency of meetings.

All in all, our intention is that the ACP/Cotonou framework should provide a platform for a political partnership. Therefore, both sides agree to add the continental and the all-ACP level as actors in the Article 8 political dialogue. Thereby the pan-African dimension will find its adequate place alongside the already existing dialogue within the Cotonou institutional set-up.

I can assure you, that the JPA will be kept informed on the negotiations. We already presented the main lines of the present revision to the JPA bureau at the end of September 2009 and we would welcome a continued exchange of views. I strongly encourage the JPA to express its opinion on matters related to the present revision.

**Reply to question 2**  
**By E. Gurerrero Salom**

Article 13 has proved to be a particularly useful basis to develop an in-depth dialogue with ACP countries on migration issues. Since 2006 and following the adoption by the EU of the "Global Approach to Migration", eight political dialogue missions have been conducted by the EU on migration issues in the following countries: Cape Verde, Ghana, Mauritania, Senegal, Ethiopia, Nigeria, South Africa and Tanzania.

As far as readmission is concerned, article 13 has also proven its value. It provides a legal basis for the return or readmission of EU or ACP nationals illegally present on the territory of an ACP or EU State. EU Members States can call on this clause in bilateral context with ACP countries, which they have done on a number of occasions since 2000. One Community readmission agreement is also currently being negotiated with Cape Verde in the context of Mobility Partnerships.

The policy context has greatly evolved since 2000 regarding migration and development, in particular in the context of EU-Africa relations. Numerous policy declarations were adopted on the EU side:

- the Global Approach to Migration by the EU in 2005,
- ACPs Ministerial declarations on migration and development in 2006 and 2008,
- the joint Africa-EU declarations on migration and development adopted since 2006 and in particular the Africa-EU partnership on migration, mobility and employment adopted in Lisbon in 2007.

Article 13 should be further strengthened in the currently negotiated Revision of Cotonou by taking on board this evolved policy context and reflect the three pillars of the Global Approach to Migration.

**Reply to question 3**  
**by Ch. Goerens**

The sharp reduction in international financial flows, resulting from the global loss of confidence has led to the emergence of urgent liquidity needs in many developing countries. Currently, large international commercial banks are still in the process of deleveraging and international debt capital markets are almost inaccessible although financing is available.

The financial crisis' impact on microfinance remains limited for the moment. However, the pressure exerted on the customers by the financial crisis is likely to result in increasing the portfolio with risk of the Microfinance Institutions. The African region seems less affected than Eastern Europe and Latin America, whose Microfinance institutions are more incorporated into the formal financial sector.

The European Commission already acknowledged the situation in its April Communication on supporting developing countries in coping with the crisis. Accordingly, actions by the Commission have been taken and are ongoing in order to:

- Refocus priorities: the Commission is, in partnership with developing countries, accelerating the Mid-Term Review of its strategy papers and support programmes in 2009 and 2010 with a view to reflect new needs and rising priorities.

- Frontload aid: the Commission has advanced commitments constituting a large part of the Community assistance to ACP countries (€4.3 billion frontloaded for 2009) and will examine further ways to speed up aid delivery. The European Investment Bank (EIB) should frontload commitments in the framework of ACP Partnership Agreements (€3.5 billion Investment Facility and €2 billion Own Resources in 2008-2013).
- Ensure guarantees for investment and provide credit facilities: the Commission and the EIB are working together to increase guarantees for investment, inter alia through the expansion of guarantee possibilities under the Infrastructure Trust Fund and the EIB's Investment Facility. Notably, the EIB is providing support to microfinance institutions as well as to the banking sector through loans, equities and/or guarantees. In this regard, through the newly adopted Microfinance Programme II and the Investment Facility, the Commission has recently approved EDF contribution to the Microfinance sector amounting to €30 million and totalling to €90 million with the participation of other private and public donors.

**Reply to question 9  
by W. William**

The Commission Decision adopted on 6 August 2009 establishing an ad hoc Vulnerability FLEX mechanism to support the most affected African, Caribbean and Pacific countries cope with the impact of the global financial crisis set aside €500 million. These resources will be drawn from the reserve of the national and regional indicative programmes under the 10<sup>th</sup> EDF during 2009 and 2010 to support measures to mitigate the consequences of the crisis.

The Vulnerability FLEX instrument is conceived as a demand-driven mechanism with countries from Africa, Caribbean and Pacific applying through a request to the European Commission. The eligibility of requests submitted by the partner country national authorities is assessed on the basis of the following objective and transparent criteria provided for in the 6 August 2009 Decision. Firstly, high economic, social and political vulnerability as measured by quantified benchmarks regarding government revenue reduction, or depletion of foreign reserves, or deterioration of the fiscal deficit. Secondly, existence of a residual fiscal financing gap not covered by other donors or foreign and/or domestic borrowing. Thirdly, the critical impact of European Commission support through the Vulnerability FLEX in so far as it closes or significantly reduces (as a general principle by at least half) the country's residual financing gap. In addition to these three criteria countries should also be able to demonstrate sufficient absorptive capacity through an ongoing budget support programme or an existing social safety net or equivalent mechanism and by providing evidence that additional funds are allocated to priority programmes. Vulnerability FLEX resources will be provided as additional support from the European Commission to established programmes in partner countries that help mitigate the impact of the crisis.

Following the submission of 26 requests for support, of which 25 were presented by African Caribbean and Pacific countries and one by a regional body, 17 were assessed as eligible and in compliance with the criteria established under the Vulnerability FLEX. EU Member States agreed an amount of €260 million to be set aside from the 10<sup>th</sup> EDF reserve for the 2009 allocation of the Vulnerability FLEX. For 2009 disbursements of individual country financing decisions have been agreed for 13 African, Caribbean and Pacific countries equivalent to €215 million which should be disbursed before the end of the year. In the case of these 13

countries the resources identified will be provided as a single additional payment to existing budget support programmes.

**Reply to question 10**  
**By A. Imbarcaouane**

In response to the global crises the EU adopted a set of comprehensive, timely, targeted and coordinated measures to cushion the human impact of the crisis and to boost economic growth in developing countries. The Vulnerability FLEX mechanism was one part of that response to help protect pro poor spending in the most vulnerable African, Caribbean and Pacific countries. It is expected that 17 ACP countries will benefit from the 2009 allocation of €260 million of which €215 million should be disbursed by end of the year. Other elements of the response include supporting the reinforcement and reshaping the EU-Africa Infrastructure Trust Fund, increasing the European Commission contribution with another €200 million commitment in 2009, and inviting European Union Member States to consider further contributions to the Trust Fund. In addition, a total of 50 countries will receive assistance from the Food Facility where €980 million will be available for response measures that aim at improving access to agricultural inputs and services including fertilizers and seed, establishing safety net measures aiming at maintaining or improving the agricultural productive capacity and addressing the basic food needs of the most vulnerable populations and increasing production.

The G20 in London made strong and relevant commitments that led to an increase in resources available for developing countries. For example, the IMF's lending capacity was increased by \$750bn, thanks to the EU increased pledge of \$178 billion. The IMF's approval for selling off a portion of its gold sales helped to raise \$13bn for LIC's as well as its \$100 billion reserves' allocation to developing countries. In addition, the World Bank has raised IDA lending to Low Income Countries by 25% compared to 2008 and almost tripled its IBRD lending in the same period.

The International Financial Institutions have received significant additional funds. It is important to make sure that these resources are delivered in a manner that enhances the capacity of each eligible country to contain and reverse the negative impact of the crises. We have to monitor the timeliness and effectiveness of the support provided so that at the end of this period the international community is better equipped to anticipate and respond to future crises. The Commission has worked closely with the International Financial Institutions and EU Member States since the onset of the crisis to ensure a common understanding of the impact of the crisis on developing countries and to coordinate and complement our grant and loan based responses so that they can effectively support a range of developing countries. Last October the Commission, the International Monetary Fund, the World Bank and the African Development Bank agreed to build on our close cooperation to work on mapping our crisis response programmes in developing countries including those countries who may face particular challenges accessing additional support.

Analysis of the crisis by, among others, the Commission and International Financial Institutions highlighted the degree to which its impact varied across countries depending on the vulnerability of their economies to the main forms of transmission and critically their ability to respond through access to additional resources. Those additional resources included domestic and internal currency reserves and access to domestic and external credit. To optimise the European Commission response, the Vulnerability FLEX design built on this

analysis and sought to target those countries which, after seeking support from other donors and access to international and domestic credit, still had insufficient resources to maintain key (usually social) programmes that would mitigate the impact of the crisis. We believe it is appropriate that, in coordination with other donor programmes, the Vulnerability FLEX should focus on those countries where it will make the most significant difference rather than risk dilution of its impact by distributing it evenly to all ACP countries.

## **Reply to question 11**

**By E. Joly**

The Commission Decision adopted on the 6 August 2009 establishing an ad hoc Vulnerability FLEX mechanism to support the most affected African Caribbean and Pacific countries cope with the impact of the global financial crisis set aside an amount of €500 million. These resources will be drawn from the reserve of the national and regional indicative programmes of the 10th EDF during the period 2009 to 2010.

The Vulnerability FLEX instrument is conceived as a demand-driven mechanism with countries from Africa, Caribbean and Pacific applying through a request to the European Commission who will manage the instrument. The eligibility of requests submitted by the national authorities of the African Caribbean and Pacific countries is assessed on the basis of the following objective and transparent criteria. Firstly, high economic, social and political vulnerability as measured by quantified indicators regarding government revenue reduction, or depletion of foreign reserves, or deterioration of the fiscal deficit. Secondly, existence of a residual fiscal financing gap not covered by other donors, including the International Financial Institutes, or foreign and/or domestic borrowing. Thirdly, the critical impact of European Commission support via the Vulnerability FLEX mechanism in terms of its ability to close or significantly reducing the residual financing gap. In addition to these three criteria countries should also demonstrate a sufficient absorptive capacity through an ongoing budget support programme or an existing established social safety net or equivalent mechanism.

In 2009 following the submission of 26 requests for support, of which 25 were presented by African Caribbean and Pacific countries and one was introduced by a regional body, 17 were assessed as eligible and in compliance with the criteria established under the Vulnerability FLEX mechanism. EU Member States agreed an amount of €260 million to be set aside from the 10th EDF reserve for the Vulnerability FLEX in 2009. For 2009 disbursement individual country financing decisions were agreed for 13 African, Caribbean and Pacific countries with a total value of €215 million which should be disbursed before the end of the year.

Throughout the design and implementation of the Vulnerability FLEX the Commission has worked closely with the IMF and World Bank. We continue to share our analysis of the crisis's impact and coordinate our institutions' programming down to the level of individual partner countries. The IMF works with the Commission and the partner countries in identifying the macro-economic data required for a Vulnerability FLEX request. This information includes a country's residual financing gap which incorporates current and planned programme support from donors including the IMF, World Bank, regional banks and Members States. This helps to ensure the Vulnerability FLEX support is targeting a residual financing gap and that its grant composition complements the concessional lending of the IFIs.

Last month the Commission, the International Monetary Fund, the World Bank and the African Development Bank agreed to build on our close cooperation in order to work on mapping our crisis response programmes in developing countries including countries that may face particular challenges accessing additional support. In addition, the Commission is also working with the ACP Committee and its Secretariat to identify a mechanism to allow our ACP partner countries, working with the European Commission, to contribute to monitoring the extent and impact of international response to the crisis in developing countries.

The Commission will continue to keep the Joint Parliamentary Assembly informed of the implementation of the Vulnerability FLEX through the discussions in its standing committees (both the Committee on Economic Development, Finance and Trade and the Committee on Social Affairs and the Environment are currently discussing draft reports on different aspects of the global crisis) as well as in plenary sessions. If desired, the Commission is also able to provide recent Vulnerability FLEX documentation, if not yet received, including the recent Vulnerability FLEX allocation decision for 2009 and a list and figures for ACP countries to benefit this year.

### **Reply to question 12**

**By G. Zimmer**

Within the framework of the Food Facility Regulation, two Commission decisions (30 March and 29 April) have been taken for a total value of €707.7 million. This represents 86.3% of the target commitment level for 2009. A third decision was taken in November (following the endorsement by the Member States committee and subsequent Parliamentary scrutiny) which will complete the 2009 target level of €820 million for operational assistance under the Food Facility. This amount will, by the end of the year 2009, have been contracted out to International Organisations and NGOs for measures supported under the Regulation. The remainder of the funds will be committed and contracted in early 2010.

The majority of the assistance is dedicated to directly benefitting small scale farmers through measures aimed at increasing agricultural production. This is accomplished mainly through increasing accessibility and availability of farming inputs; however free distribution only occurs in cases where this is justified. In addition more long term interventions such as irrigation, road and market infrastructure, training and capacity building of agricultural extension services and rehabilitation of agricultural research and training facilities are also receiving "Food Facility" support.

The food facility is also used to finance the provision of social safety nets for populations directly suffering from the volatility of food prices.

The Commission is committed to the optimal implementation of the Food Facility and therefore a Results-Oriented Monitoring (ROM) launched by the Commission will start before the end of the year (2009). In parallel, several studies are being launched to analyse the implementation mechanisms as well as the first the results on the ground.

As stipulated in the Food Facility Regulation, an interim report will soon be submitted to the Parliament and the EU Member States.

**Reply to question 4**  
**By G. Mitchell**

The EC acknowledges the importance of promoting property rights in the context of our development cooperation. In a functioning market economy the rule of law is essential to ensure that the legal and regulatory framework is in place to be conducive for private sector development. In particular, formalizing informal land ownership in rural areas enables farmers to use their official land titles as collateral to obtain credits for investment purposes therefore enabling private sector growth with a view to achieving poverty alleviation and improved food security.

The EU supports governance reforms in partner countries through dialogue and incentives. This approach has facilitated, on the one hand, that many African countries commit themselves to implement reforms in different sectors, particularly when it comes to more result oriented policies and institutional setting to facilitate private sector development in general, as well as on more specific key issues such as respect for property rights. In the framework of the 10<sup>th</sup> EDF a "governance initiative" which combines political and financial incentive for governance reforms has been put in place. On the other hand, this approach has led to an enhanced Africa-EU dialogue on a wide range of governance issues in the framework of the Joint Strategy and Action Plan 2008-2010. In this context, it is expected that pan African institutions will play an increasingly proactive role to support, encourage and facilitate implementation of governance reforms in African countries and create conditions for a private sector driven economic growth.

Property issues are particularly relevant in the context of rural poverty, which is often associated with lack of access to land, either in the form of landlessness or because of insecure and contested land rights. Economic analysis has long recognized the importance of secure property rights for growth, and therefore for the poverty reduction which growth can bring. Increased land access for the poor can also bring direct benefits of poverty alleviation, not least by contributing directly to increased household food security. In countries where agriculture is a main economic activity, access to land is a fundamental means whereby the poor can ensure household food supplies and generate income.

The Commission recognises that land is an asset of enormous importance for billions of rural dwellers in the developing world, and especially in ACP countries. The nature of property rights and their degree of security vary greatly, depending on competition for land, the degree of market penetration and the broader institutional and political context. The picture is hugely diverse and complex within and between countries and regions. Although there are specificities according to countries and regions, some general trends and common challenges can be identified and the pressure on land is set to increase over future decades, given the impacts of continued population growth, urbanization, globalization of markets and activities, international investment flows, trade negotiations and climate change.

It is worth to note that land is not just an economic asset, and market commodity, but has strong political, social, cultural, and spiritual dimensions. The interrelated social, institutional and political factors involved in land make it an asset different from all others. Land is never just a commodity. It combines being a factor of production, with its role as family or community property, a capital asset and a source of identity. This mixture of qualities is not necessarily a constraint, as can be seen from the active market in land use rights that exists in many smallholder farming systems operating under customary land regulation.

Land competition can trigger and exacerbate wider conflicts. Despite being central to peaceful development, economic growth and sustainable resource use, land issues have often been ignored. Donor governments have been reluctant to get involved in land related programmes, in part because of the perceived political risks. At the same time, despite their central contribution to economic growth, land and agricultural development have failed to receive adequate attention in the Poverty Reduction Strategy processes.

The EU promotes consensual land policy processes and supports collaboration between state, civil society, bilateral and multilateral stakeholders, with the ultimate objective of pro-poor land governance. These principles and values are embodied in the EU Land Policy Guidelines<sup>1</sup> adopted in 2004 by the EU Council, which are meant in particular to inform field and headquarter staff in their efforts to accompany land reform and design programmes in support of national reform efforts. It provides the main characteristics of a land policy process and, based on experience and current policies, identifies key issues to be addressed and specific areas for donor intervention.

The guidelines refer to evidence showing that titling is neither necessary nor sufficient to generate tenure security. Pilot cases from Ethiopia, Mozambique, and Benin show how rights can be registered at much lower cost and in simpler ways. In many places, titling and registration of land may be much less important than working to strengthen local institutions with responsibility for managing land rights and related disputes. The recent shift towards decentralizing government has been valuable as a means to get land rights management much closer to the field. This better understanding of the diverse options available to government allows approaches to be tailored to different settings, and for upgrading of rights and systems over time.

The Commission provides support to secure access to land and other resources, capacity building for land governance, reform and land policy projects e.g. through the "International Land Coalition" (€2.9 million) targeting support to civil society organisations and networks in Africa to promote secure and equitable access to and control over land and other natural resources that are vital to the livelihoods of poor women and men. The Commission will start next year support for the implementation of the Africa Union Land Policy Initiative with a new contribution of €9 million from the All ACP programme under the 10<sup>th</sup> EDF. Specific support for land policies and land administration is provided in a number of countries (Namibia, Bangladesh, Madagascar, Angola, Jamaica, Rwanda, Tajikistan, Venezuela and Vietnam).

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<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2004:0686:FIN:EN:PDF>

**Reply to question 5**  
**By Licia Ronzulli**

The Universal Declaration of Human Rights recognised half a century ago that access to adequate housing is a component of the right to an adequate standard of living. Furthermore, Millennium Development Goal n° 7 targets among other things the improvement in the lives of slum dwellers.

Lack of housing is intrinsically linked to the rapid process of urbanisation and migration from rural to urban areas. With urban growth, land prices increase faster than the prices of other commodities. The ability of low-income households to obtain access to land is therefore severely constrained in many countries, thus creating unauthorised settlements lacking adequate services and facilities. Provision of adequate housing must consequently be addressed within the context of wider urban development, which includes the improvement of urban governance and physical infrastructure such as water and sanitation, health and educational facilities, maintenance and extension of urban road networks. In line with the European Consensus on Development, the Commission focuses in its cooperation on governance and infrastructure as essential preconditions for addressing lack of housing in urban areas, but provides also direct support to housing programmes in selected cases in ACP countries.

**Reply to question 15**  
**by I. Zanicchi**

In the developing world today, poor access to safe water and adequate sanitation continues to be a threat to human health, and a central element of humanitarian crisis. Water, sanitation and hygiene are recognised as "the most important vaccine for improving public health and economic growth". According to a recent study by the WHO, the economic benefits of improving access to water supply and sanitation outweigh by far the investment costs and include increased production and productivity in economic sectors. Sanitation and hygiene are essential elements of health, education and other social programmes and have a crucially positive impact in particular on the lives of poor women and children.

The European Commission "Communication on water management in developing countries" of March 2002<sup>2</sup>, endorsed by a resolution of the European Council, recognises the priority need to ensure supply, especially to the poorest, of sufficient drinking water, adequate sanitation and hygiene, and stresses the need to integrate sustainable water management in national and regional development strategies and to support partner countries in developing sustainable solutions.

The EU Water Initiative (EUWI), launched in 2002 in Johannesburg, is a concerted effort of the European Commission, the EU Member States, partner countries and other stakeholders including civil society organisations, the private sector and local government organisations. The EUWI, and in particular the Africa-EU Partnership on Water Affairs and Sanitation, have

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<sup>2</sup> COM(2002)132

established a strong political basis and a constructive dialogue with the African Ministerial Council on Water (AMCOW) and the AU Commission.

The EUWI is noted in the EU Consensus on Development as contributing towards our policy objectives in water and sanitation, and the Joint Strategy agreed at the Lisbon Summit states that "Africa and the EU will work together to further develop the existing EU-Africa Partnership on Water Affairs and Sanitation with the overall objective to meet basic water and sanitation needs and contribute to improved water resource management at local, river basin and catchment, national and trans-boundary level."

The challenges brought about by climate change will reinforce the need to develop water governance institutions, including watershed management organisations, at the appropriate levels (local, regional, trans-boundary). The appropriate management scale should be determined by the extent to which it facilitates effective action in response to specific needs. In large watersheds (e.g. large rivers with multiple tributaries), it is likely that management organisations will be needed at various levels, and will have to interact with each other. Trans-boundary cooperation mechanisms, which already exist for all large, transnational river basins, will notably have to be strengthened.

To foster adaptation to more difficult conditions, these institutions may have to reallocate existing water rights among users, and generally to devise more equitable, efficient and transparent ways of allocating these rights. As a priority, sufficient allocations should be made to cover the basic needs of households (in particular poor ones) at an affordable price, and enough water should also remain available to avoid irreversible and severe environmental damage and to secure the long-term provision of essential ecosystem services. Provided these truly essential needs are met, it may be useful to test (and if successful to deploy on wider scales) the use of market-based mechanisms to allocate remaining water rights. Market-based mechanisms have the advantage of building flexibility into the system (with changing price levels helping adjust demand to fluctuations in the availability of water), and also of ensuring that scarce water is allocated to those uses that are most valued by society.

At the more "technical" level, integrated water resources management (IWRM) should be an effective approach to develop adaptation measures to climate change, but it is a relatively new concept and various definitions exist. Features of integrated water management strategies include: recognizing the links between water quantity and quality, optimising the balance between surface and groundwater use, coordinating land and water resources management (to take account of their reciprocal interactions), reshaping planning processes accordingly, protecting and restoring natural ecosystems, consulting/involving the various stakeholders, improving the flow of information between them and setting up conflict resolution mechanisms.

In some regions, water governance could also be helped by the development of forecasting systems, including seasonal weather forecasting systems, and the integration of forecasts into decision support systems for water management. This would provide some advance warning of the level of precipitation to be expected, and help water management authorities develop more timely responses (such as warning to water users and short-term transfers of water allowances to priority users when a drought is anticipated).

At political level in Africa, the AU has defined its priorities for achieving the goals in water and sanitation, in its Sharm el Sheik declaration of 2008. A specific commitment on sanitation

has been put forward in Durban during the 2008 International Year of Sanitation, and a joint EU-Africa declaration on sanitation was made. Renewed commitments for the sector have been stated by the G8, leading to a reinforced Africa-G8 Partnership on water and sanitation.

An integrated framework for financing by the EC and the Member States has been established, to ensure complementarity between the specificities of the different instruments : National and Regional Indicative programmes (supporting governments with their sector programmes at national and regional level), the ACP-EU Water Facility (working with decentralised actors and leveraging additional resources including the private sector), and the Africa-EU Infrastructure Partnership Trust Fund (supporting infrastructure development in transboundary basins).

- The EU Water Initiative provides the framework for strategic partnerships on water and sanitation, to improve governance and to address management of water resources at regional/transboundary, national and local levels.
- Under the 9<sup>th</sup> EDF, water and sanitation were included in the NIPs in 16 ACP countries (€475 million). 10<sup>th</sup> EDF programming indicates that more countries are likely to receive support for water and sanitation, including a growing number of Sector Support Programmes. Although this implies a broader inclusion of water under 10<sup>th</sup> EDF, it is not a scaling-up of investment that the sector needs.
- The ACP-EU Water Facility, provided with €500 million from the 9<sup>th</sup> EDF, has the objective to catalyse additional funding for the water and sanitation sector, in order to achieve the MDGs by developing appropriate responses to improve access to basic water/sanitation services. The Facility has the potential to bring funding to decentralised local and municipal service providers and is thus complimentary to NIPs.

The calls for proposals of the Water Facility resulted in the selection of 175 proposals, from over 1300 submitted, for a total EC contribution of €420 million, leveraging an additional €360 million. The projects are estimated to bring access to water to about 20 million people and sanitation to about 9 million people over four years. It has demonstrated its added value in allowing new partnerships for investment in infrastructure, in mobilising the relevant local actors involved in the provision of services, and in contributing to better governance and management. A new allocation of €200 million is available from the 10<sup>th</sup> EDF and modalities are being developed.

- The water component of the Infrastructure Partnership responds to the priorities of the AU/NEPAD programme of action.. A strong and inter-connected water component of the Infrastructure Partnership must be anchored in national and regional strategic frameworks and with clearly defined strategies and priorities, in particular for hydropower development within an integrated water resource management approach.

Such an integrated framework for financing the water and sanitation sector and for hydraulic infrastructure provides incentives for an EU approach with specific EU financing instruments (such as the Water Facility and the Infrastructure Partnership), to attract additional grant funds from the increasing aid budgets of EU MS for co-funding and leverage of EIB and other DFI loan finance as well as finance from other (non-ODA) sources.

The European Community policy and approach to rural development and sustainable natural resources management in developing countries (such as the Communication from the

Commission "Fighting rural poverty" adopted in 2002)<sup>3</sup> indicates among other issues that the EC's policy and strategy for the agricultural sector concentrates on improving the policy environment for agriculture, enhancing market access, supporting producer associations and strengthening production support services, including research and extension, input supply, post-harvest processing, marketing, rural finance and notably irrigation. In view of the close linkages between rural poverty and environmental degradation, sustainable natural resources management is an integral part of the EC's policy and approach to rural poverty reduction.

In countries where rural development is chosen as a focal area for the Commission's country support strategy, the EC focuses on key policy and crosscutting issues, institutional reform and the development and dissemination of appropriate technologies based on the outcome of the dialogue and consultations with the governments, regional organisations and the non-state actors, and taking into account the countries' sector policies and poverty reduction strategies. The EC also assists to carry out the necessary analytical work (poverty, food security and environmental profiles) and in formulating the appropriate national framework to ensure coherent intervention (clear priorities in terms of policy/institutional reform, investment and services) within the rural space.

It may be good to recall that at the African continental level, the Comprehensive African Agriculture Development Programme (CAADP) forms the Africa-led agenda for agricultural development. CAADP is above all a process, not meant to duplicate existing planning processes, but improve its quality. The process is fed by analytical work, provided by a 'knowledge system'. CAADP is supported by the main development partners, including the EU. A process that assist countries in improving the quality of their agricultural planning and policy making, making use of existing expertise in centres of knowledge around the continent. A process also that is based on sound principles, like evidence-based policy making, regular consultations with all relevant stakeholders, notably farmer organizations, and that takes the regional integration dimension seriously.

The Communication 'Advancing African Agriculture'<sup>4</sup> responds to requests from African continental organisations (Africa Union Commission and NEPAD) to identify areas for cooperation in the framework of the Comprehensive Africa Agricultural Development Programme (CAADP). Principles and key areas for EU-AU cooperation on agricultural development in Africa are described in the Communication, with a focus on initiatives at regional and continental levels. Cooperation at these levels is meant to both complement and stimulate agricultural development at the national level, where cooperation will remain most intense.

The EU supports these processes through a contribution to the CAADP Multi-Donor Trust Fund (managed by WB) of €5 million. The EU also actively supports farmer organisations to be involved in strategy processes (€5 million through IFAD).

**Reply to question 16**  
**by H. Schnellhardt**

1. *Which water supply projects are already receiving support from the Commission?*

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<sup>3</sup> COM(2002)429

<sup>4</sup> COM(2007)440

With regard to humanitarian aid interventions in response to the severe drought following failed long rains in 2009 and the progressive deterioration of the situation in the course of the year, €8 million have been mobilised from the EDF B-envelope covering unforeseen needs, part of which were used to increase the Commission's response to emergency needs, in support of the vulnerable, drought-affected populations of the Arid- and Semiarid lands (ASAL) of Kenya, including access to water. Concrete examples are: improved water availability through rehabilitation of existing, and construction of new, strategically placed water structures, including those in social centres (ex. school roof catchments); improved access to water and hygiene through support to safe water transport and storage means. The funds were channelled through several specialized NGOs implementing projects across the country in the areas most affected by the drought. €3 million have been also allocated to provide assistance in the water supply and sanitation sector – identified as priority needs - to the refugees hosted in Dadaab camps, Eastern Kenya. The assistance had been channelled through 2 NGOs specialized in this sector. Kenya has also benefited from the €30 million Regional Drought Decision for the Horn of Africa implementing general livelihoods and preparedness interventions, focused on integrated, improved management of natural resources, including improved access to water through, for example, construction and rehabilitation of water points (boreholes, wells) and water harvesting structures, situated, among others, in social centres (schools and health centres).

2. *Why is it that certain water supply projects, for example a project launched by a non-governmental organisation to supply drinking water for children attending a school are not receiving Commission support? How large must water supply projects be to make them eligible for Commission support?*

Water Facility projects are the main water related projects supported by the EC in Kenya, which represent an EC contribution of approximately €32 million. In essence, they provide support to the creation of a nation-wide structure of water services boards and affiliated water services providers which should ensure long-term provision of water and sanitation services to the poor. In addition to these projects there are a number of small projects funded through the NGO co-financing budget line that are ongoing with an EC contribution of approximately €2 million.

In addition to these projects directly related to water and sanitation there is a range of programmes supported by the EC, through the EDF and EC budget, which target community development, slum development and support to livestock. These are, generally speaking, integrated programmes which may include support to actions related to improved sanitation, improved access to potable water and water points for livestock. One example is the Community Development Trust Fund which supports small scale initiatives, including requests for support to water supply, emanating from communities throughout the country.

Within the context of support to actions of Civil Society Organisations, such as quoted by the Honourable Member, it should be noted that these are governed by a Call for Proposals system. Within the Development Cooperation field it is not possible to support Civil Society Organisations outside the Call for Proposals framework. This system allows for equal opportunity for all Civil Society Organisations to present proposals at a time EC makes funding available for a specific thematic sector. This also applies to the above mentioned

Community Development Trust Fund. Though relevant to each Call for Proposal, the size of a project is not a deciding factor. Proposals are selected on the basis of their quality. Please be informed that there will also be another Call for Proposals in 2010 within the framework of the ACP-EU Water Facility providing another opportunity for Civil Society Organisations to present proposals.

**Reply to question 17**  
**by D. Martin**

Access to drugs is one of the oldest and main priorities of EC support to health in developing countries. This support involved project and program at nearly all stages of the continuum that goes from research to development and production, then to procurement and to delivery, including quality control and counselling to patients.

Through bilateral support to countries, the EC has helped strengthening the drug procurement system in a number of countries (central medical agencies established, equipped and supported), and is still supporting this sector, either through direct funding for health, or through budget support with a special attention to progress in health indicators.

On research and production, EC and EU have been very active in supporting Doha flexibilities on TRIPS (with EU having a regulation to allow EU countries to answer to request from developing countries). More recently, at the request of the European Parliament, the Commission engaged in a partnership with the special WHO/TDR program (€2 million in 2008, €5 million additional in 2009) to identify and to support research capacities in developing countries for new or more adapted drugs to neglected diseases. This partnership falls under the framework of the Global strategy and plan of action for innovation, public health and intellectual property that was approved by the World Health Assembly in May 2008. Similarly, the EC is supporting the WHO in identifying best practices, with the aim of defining possible future EC support to local production of good quality drugs in Africa, an area also covered by the EU-Africa MDG partnership. In 2009 this support was extended to address the issue of vaccines and diagnostics production.

On procurement and quality; the EC is in a partnership with the WHO (essential medicines and pharmaceutical policies, €25 million for 5 years) for capacity building in African countries with regards to pharmaceutical policy (regulatory agencies, procurement process, quality control, etc;). This includes a direct support to the prequalification program of WHO.

But EC interest in supporting access to drugs is not limited to development policies. Following its commitment to policy coherence for development, the EC is currently assessing the impact that other EU policies, like the ones on trade or on research, have on access to drugs in partner countries.

Last but not least, the EC is engaged with some emerging economies countries in triangular cooperation for Africa with a special focus on access to drugs (recent agreement with Brazil, and with South Africa, discussions with Egypt).

Following some cases of retention of drugs in transit by customs authorities of some Member States, under suspicion of Intellectual Property Rights (IPR) infringement (Pursuant to Regulation (EC) No 1383/2003), the Commission reaffirmed its commitment to facilitating access to good quality, affordable drugs in developing countries, while respecting the international agreements on IPR. In order to avoid any disruption of legitimate trade between third countries, the Commission provided Member States with a very detailed explanatory note on this matter, and on the proper process to be followed when the breaching of patent laws is suspected in goods in transit in Europe. The Commission is maintaining close contacts with MS customs authorities and with drugs manufacturers who are patent holders to see that EU regulations are implemented properly.

## **Reply to question 18**

**By M. Striffler**

The Commission is fully committed to the attainment of the health related Millennium Development Goals and the implementation of the Programme of Action of the Cairo International Conference on Population and Development in partnership with the ACP States, EU Member States and other development partners and relevant United Nations agencies. The Cotonou Partnership Agreement, as well as the European Development Consensus and various other EU documents recognize the importance of population, sexual and reproductive health and gender equality to achieve Millennium Development Goals.

In June 2008 the European Council adopted the EU Agenda for Action on the Millennium Development Goals (MDGs), re-affirming the EU commitment to the MDGs. The EU Agenda for Action states that "Action is needed as a priority in key areas like education, environment, health, water and sanitation, agriculture, pro-poor growth, infrastructure and gender equality". The Agenda for Action sets a number of milestones and EU actions for reaching the MDGs. With regard to the health MDGs the EU would collectively increase its support by €8 billion in 2010, of which almost €6 billion would be for Africa. In response to the slow progress towards MDG 5 the Agenda for Action states that "the EU will urgently support the attainment of the target set in 2005 regarding universal access to reproductive health as well as 2010 milestones to save 4 million more children's lives each year, 2 million of which in Africa; and to have 35 million more births attended by skilled health personnel each year, 13 million of which in Africa. If we want to reduce maternal mortality by three quarters by 2015, it means that 21 million more births will have to be attended by skilled health personnel each year by 2010. Furthermore, the EU will provide support to reach the target of 50 million more women in Africa with modern contraceptives by 2010, and more generally to have access to family planning."

The MDGs build on the Programme of Action of the Cairo International Conference on Population and Development (ICPD) of 1994. All Member States of the EU have endorsed the ICPD Programme of Action and it forms the basis of the Community's policy in this domain. The ICPD Programme of Action covers sexual and reproductive health and rights in a comprehensive way, including the recognition of the basic right of all couples and individuals to decide freely and responsibly the number, spacing and timing of their children and to have the information and means to do so, and the right to attain the highest standard of sexual and reproductive health. They also include the right of all to make decisions concerning reproduction free of discrimination, coercion and violence. This recognition entails information, education, access to reproductive health services and availability of sure, effective, accessible and acceptable methods of family planning.

In support of the ICPD Programme of Action and the attainment of the MDGs the aim of EC cooperation programmes and activities in the health domain is the support of the development of reliable and efficient health systems able to respond to the health needs of their population. Our support to reproductive health programmes, including MDG 5, must be considered within this context. And the same applies to our support to child health (MDG 4) and the combat of HIV/AIDS, malaria and TB (MDG 6). It implies an emphasis on health financing, planning, management, monitoring and accountability and on the scaling up, retention and empowerment of the health workforce. It also requires our joint efforts to strengthen

integration of services for HIV prevention, treatment and care and sexual and reproductive health and rights, and to promote the principle of double protection as well as sexual and reproductive health and rights of people living with HIV.

In 2003 the EU and ACP supported the joint UNFPA and IPPF programme to improve sexual and reproductive health services in 22 African, Caribbean and Pacific countries with vulnerable and marginalized communities. The programme was made possible with funding from the European Commission in 2002 through the 8<sup>th</sup> European Development Fund. Last October this programme was evaluated during a two days workshop. The conclusions of the workshop re-affirm that sexual and reproductive health and rights are cornerstones of the success of national poverty reduction strategies and critical to achieving the Millennium Development Goals. It was recommended – amongst others – that efforts should be reinforced and that special attention should be given to the sexual and reproductive health needs of young people, by involving them in the design, formulation and implementation of relevant health policies and programmes and by ensuring access to youth-friendly health services as well as comprehensive information and education.

The EU strongly supports the Maputo Plan of Action on Sexual and Reproductive Health and Rights, adopted by the African Union Ministers of Health in 2006. It provides a holistic and realistic approach to comprehensive sexual and reproductive health and rights within health systems strengthening. It also addresses gender-based violence, including sexual abuse, emergency contraception, HIV/AIDS post-exposure prophylaxis and STI treatment. In addition, the Plan recognizes the need to pay extra attention to youth, who are extremely vulnerable to HIV/AIDS infection and unwanted pregnancies, by putting youth-friendly services in place.

It is however noted with concern that few ACP country strategy papers have included health as a focal sector, despite urgent health needs.

Last October the United Nations General Assembly commemorated the 15<sup>th</sup> anniversary of the International Conference on Population and Development and we all renewed our commitment over the remaining five years to deliver on the promises made. Now we need the political will to do so, and to highlight it in our policy dialogue and to implement it through our actions. We will only be successful when partner countries include Sexual and Reproductive Health and Rights high in their national priorities, and run their own programmes.

In line with the Paris Declaration on Aid Effectiveness, the European Consensus on Development and the EU Code of Conduct on Complementarity and Division of Labour, the EU strives to support partner country plans and strategies, if possible through general budget or sector budget support. The MDG Contracts for longer term and more predictable general budget support are an example in case, as are the International Health Partnerships. These initiatives underscore the ownership and leadership of the partner countries and as such the development of sustainable and accountable systems to which the EU wants to contribute.

For the coming years the EU is looking forward to stepping up an open dialogue with partner countries, our own Parliament and Member States, and with other donors and relevant United Nations agencies in order to ensure universal access for reproductive health and to enhance sexual and reproductive health and rights. Amongst others we need to engage young people more directly. We also need to focus on the linkages between sexual and reproductive health

and rights and the promotion of gender equality and the empowerment of women, while not neglecting the crucial role of men. In emergencies and protracted crises it is all the more important that people have access to reproductive health and that women and girls are protected from sexual and gender based violence and receive emergency care if needed.

**Reply to question 19**  
**by C. Bearder**

The Commission is pleased that the European Community has signed the Convention on the Rights of People living with Disability. It is the first Human Rights convention signed by the EU and the first Human Rights convention signed by a non-state party. This represents a new challenge for the EU: How can we deliver on the commitments we have made? Not only the Commission but all EU institutions including the European Parliament are bound by the commitment. Nearly all our ACP partner countries have signed the convention.

Two examples why disability is at the heart of the MDGs. Firstly, the MDGs can not be reached without actions to address disability, either specific actions or as mainstreaming. According to World Bank findings, around 10% of the world's population is disabled and 20% of global poverty is associated with disability. Without inclusive education we will not reach the MDG on education. Education has been very successful in getting children to school and further improvements in attendance clearly require partner countries to make their education system inclusive.

Last time the JPA addressed disability was in 2002 with a resolution adopted on Disability and old age. This was well before the adoption of the Convention on the Rights of Persons with Disability. The Convention could be the basis for a new resolution that would outline a joint approach to disability.

The Commission drafted a guidance note for Delegations on how to integrate disability into country work in 2004. The Commission is currently in the process of updating this note taking into account the Convention. The approach of the Commission is to support partner countries in their efforts to deliver on the rights of People with Disability. If partner governments do not develop policies to deliver on these rights it becomes very difficult for development partners to foster changes at country level. The Commission supported a project "Making Development inclusive", which developed most useful tools that have been circulated to all Delegations.

Concretely, the Commission has since 2000 funded 280 projects (corresponding to over €145 million) specifically targeting people with disabilities in 69 partner countries. It is important to underline that our approach is non discriminatory. We are eager to consult with all parts of civil society but with no preference to any group; this includes disabled person's organisations or groups working for disabled people. It is still premature to have an overview of the MTR of the 10<sup>th</sup> EDF, which is still in its early stages in ACP countries and regions. But disabled peoples' organisations did participate in the consultative meetings in connection with the initial programming of the 10<sup>th</sup> EDF and were invited to contribute to the MTR consultations this year together with other Civil Society organisations. The Commission is currently reviewing the accessibility of all Delegations for disable persons.

**Reply to question 20**  
**by P. Tirolien**

The Audit report in reference<sup>5</sup> studies the extent to which the Commission (i) adequately ensures that NSAs are involved effectively in the development cooperation process; (ii) has efficient management systems to ensure that activities implemented by NSAs are relevant and likely to produce the indented results and (iii) adequately ensures the provision of capacity development to NSAs.

The Court has recognised that efforts are being made by the Commission to involve NSA in the development cooperation process, but states that further endeavour (at both country and headquarters level) is needed. Management systems have been found to ensure that projects implemented by NSAs are relevant and likely to produce intended results. In terms of capacity building for NSAs, the Court found that the first round of capacity building programmes were highly relevant to the needs of the NSAs but implementation delays prevented them from reaching their full potential. Such capacity building programmes, which are part of the strategy in most ACP countries (where, under the Cotonou Agreement they are implemented in cooperation with the partner country government), are not always present in the strategic approach to the Asian and Latin American region.

With reference to discrepancy between theory and practice in the consultation of NSAs, two challenges need to be considered. A balanced approach needs to be ascertained between the involvement of NSAs in the above processes and the respect for partner country governments' national priorities. Country ownership in the development process is not only a traditional cornerstone in EC development policy, but also one in recently set priorities – those identified in the context of the EU aid effectiveness (AE) commitments. Second, while NSAs are key actors in development policy, their dual role<sup>6</sup> is occasionally the source of unsatisfactory results of the consultations process. That is, even when NSAs are fully consulted on development strategies, input received from them often concerns the consultation process itself - modalities and timelines - or project management issues, but not presentation of alternative strategic proposals. This is, in turn, reinforced by the fact that NSAs are not a homogenous, representative block of actors sharing the same interests. This, coupled with the recent exponential growth in numbers, quality and type of NSAs, but not paralleled by increased representativeness, organisation and internal accountability within this family of development actors, results in the prevailing assessment of scarce involvement of NSAs, especially partner countries' ones and those at grassroots level, in shaping development policy.

The Commission has taken concrete commitments as steps forward in bridging the above-mentioned gaps in consultation. These range from activities undertaken at both internal level (that of a public, development institution) and at an international one. The former concerns the increased dialogue, over the last year, with NSAs on key policy issues such as aid effectiveness, financing for development, policy coherence for development, the EU-Africa strategy, etc. In addition, a significant increase in interaction between Commission Delegations and local NSAs has occurred since the de-concentration of the relevant support programmes and especially the launch and management, by Delegations, of the local calls for proposals under these programmes. Finally, the Commission has been providing custom-made

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<sup>5</sup> Court of Auditors' Special Report No. 4/2009 on the Commission's Management of Non-state Actors' (NSAs) Involvement in EC Development Cooperation

<sup>6</sup> as donors and recipients/implementers of development funding

guidance to Delegations both during the design and implementation phases of programmes targeting NSAs. Delegations have also received operational guidance through guidelines and best practice dissemination, as well as regular Regional Seminars on the operationalisation of engaging with NSAs in programming and implementation. This is further implemented during the currently ongoing mid-term review of the 10<sup>th</sup> European Development Fund (EDF) and Budget instruments.

The latter refers to the AE agenda framework, where the Commission has engaged itself for the next couple of years (towards the fourth AE high-level forum in Seoul 2011) in in-depth discussions with other development donors and actors on the best ways of supporting NSAs' involvement in development policy.

The Commission is currently preparing the launching, in the coming months, of a multi-stakeholder dialogue to consider shared solutions for addressing some of the CoA report's findings. The Commission is open to discussing strategies for improving the involvement of NSA (especially those from partner countries) in its programmes, delivery mechanisms and procedures as well as possible alternatives.

**Reply to question 23**  
**by Michael Cashman**

The Commission attaches special importance to the promotion of and respect for human rights and works hard to ensure that countries which have laws that discriminate on grounds of sexual orientation take the right steps towards complying with their international commitments.

With respect to Burundi, the European Union reacted publicly and unequivocally to the adoption of the new law by pointing out in a communiqué that the law was contrary to the International Convention on Civil and Political Rights and also to the African Charter on Human and People's Rights. The Commission holds regular dialogue with both Burundi and other countries concerned to encourage them to end this discrimination. It has thus intervened on several occasions, in the way most befitting the circumstances, and in consultation with the Member States and international organisations. It did so, for example, in Senegal in January 2009 when association activists concerned with the prevention of HIV/AIDS amongst groups of homosexual men were imprisoned.

The Commission also upholds the view of the United Nations Committee on Human Rights that laws criminalising homosexuality run counter to effective health education programmes to prevent HIV/AIDS, because they marginalise the communities concerned. The position that everyone is entitled to the best possible physical and mental health has been confirmed by the Special Rapporteur.

**Reply to question 6**  
**By K. Arif**

The objectives of EPAs are set out in the ACP-EU Cotonou Partnership Agreement. The ACP and EU jointly agreed that these objectives should cover issues such as services,

investment and intellectual property because of their potential to promote investment and diversify ACP economies beyond traditional commodity exports.

The choice of EPA negotiating regions and whether to join an interim EPA were made by the ACP. In Africa there are roughly equal numbers of least developed and non-least developed countries that are party to an interim EPA and there is no clear pattern across the agreements of a division between Least Developed and non-Least Developed countries.

Nevertheless, since the main purpose of the interim EPAs was to protect ACP market access to Europe when the Cotonou trade regime expired at the end of 2007, the majority of countries outside the interim EPAs are Least Developed. This is because they can access EU markets under the EU Everything But Arms scheme.

In terms of the agreements that will replace the interim EPAs, the Commission is following a flexible and pragmatic approach to ensure they match the diverse regional integration processes underway in the ACP. The ACP EPA regions include established, emerging and overlapping trade and regional integration plans. The solutions to these diverse and complex situations will involve rendez-vous clauses, matching EPA implementation to specific regional integration timetables on particular issues and tailoring sensitive issues to each region's needs.

As all ACP countries remain in negotiations for more comprehensive regional agreements (except for the Caribbean region that has already concluded one), the Commission remains committed to this goal and has no plans to propose to open discussions with the ACP on denouncing any interim agreements.

### **Reply to question 7 by Saint Lucia**

The trade regime of Cotonou expired on 1 January 2008 and, since the Cariforum, including Saint Lucia, successfully concluded an EPA, the trade relationship between the EU and the ACP is now governed by EPAs or interim agreements leading to EPAs. Annex V of Cotonou, including Protocol 5 on bananas, which is attached to Annex V, is therefore already legally void. From that perspective, withdrawing it from Cotonou amounts to a tidying-up exercise.

Contrary to what is implied by the Honourable Member's question, the EPA offers the same conditions for ACP banana exports as Cotonou – i.e. duty free, quota free access. There was no guarantee for "adequate remunerative exports" in Cotonou.

That being said, the Commission recognises the impact on ACP banana producers of the ongoing talks to solve the long-lasting dispute on bananas within WTO and ensure a predictable banana trade regime for all parties. The Commission is committed to reaching a banana settlement with all parties concerned; this is the best way to maintain the relative preference given to ACP producers.

The Commission recognises the challenges for the ACP entailed by the banana agreement under negotiations and acknowledges that there may be additional adjustment needs to be

tackled. This is currently being discussed in Geneva. In this respect, the Commission wishes to underline that there was no guarantee for support under Cotonou.

In the context of the revision of Cotonou, the ACP have proposed that the importance of agricultural commodities (including bananas) for the economies of a number of ACP countries, as well as the need for development cooperation to support the competitiveness and diversification, should be recognised in the body of the Treaty. The ACP side is working on the formulation of these new provisions, which will take on board aspects previously covered by the Protocol on Bananas. The Commission is looking forward to this proposal and will examine it with great care.

**Reply to question 8  
by St. Vincent and the Grenadines**

The Commission fully understands the Honourable Member's concerns as well as the social and political importance of the banana sectors in the Windward Islands. This is why the European Community (EC) has contributed extensively to the Windward Islands governments' efforts both in support of the banana sectors since 1994 and more recently for a smooth diversification of the banana sector.

The Commission will try to provide some clarifications on its thinking and constraints, both regarding the trade issues and the expected support.

On trade: As you know, the EC remains committed to solving the long-lasting dispute on bananas in order to ensure a predictable banana trade regime for all parties. Although some preference erosion for bananas was expected, tariff rate reductions may be more sudden than anticipated by the African, Caribbean and Pacific (ACP) group of states.

The EC has to rebind its Most Favoured Nation (MFN) duty on bananas as a result of the World Trade Organisation (WTO) Appellate Body ruling of December 2008. The rebound duty would be subject to unavoidable tariff reductions under the Doha Development Agenda (DDA). However, the standalone banana agreement being negotiated would provide substantial lower cuts when compared to Tropical Product treatment or even the normal formula for DDA tariff cuts.

It should be clear that the revision of the banana tariff is not due to an EC Common Market Organisation (CMO) reform, but is a direct result of disputes and negotiations at the WTO.

On support: The Commission recognises that the challenges which this multilateral deal entails were not fully incorporated into the joint current European Development Fund (EDF) programming. The Commission therefore acknowledges that there may be additional adjustment needs to be tackled. This is why the ACP Group and the EC are currently engaged in discussions in Geneva in order to agree upon a mutually satisfactory solution on this matter.

In this respect, it is important to clarify that committing additional resources to this area is the prerogative of the EC's budgetary authority. The Commission can only commit to presenting a proposal to the EC's budgetary and legislative authorities. Once all parties initial the multilateral agreement on bananas, the EC is committed to presenting promptly a legislative

proposal to the EC institutions on the Banana Accompanying Measures (BAM), in parallel to its proposals for adjusting MFN tariff duties as the agreement requires. Normal EC procedures will then apply for the Council and EP, the EC's budgetary and legislative authorities, to adopt the BAM proposal.

The Commission is very well aware of some of the amounts the ACPs have been putting on the table, and welcomes the strong ACP engagement in these negotiations. Ownership of the initiatives and policies is paramount for resolving this matter. The Commission is ready and willing to support countries' adaptation efforts and, like in any partnership, expects the costs of such efforts to be borne by all partners, including partner countries' governments. It is also clear that the EC has financial constraints within its budgetary availability, and the current economic situation does not leave a lot of room for manoeuvre.

**Reply to question 13**  
**By M. Rivasi**

The fall in world market prices for dairy products and other products have had a severe impact on the agricultural income of farmers across the world and particularly in the developing countries. The world market prices for dairy products decreased considerably due to a combination of production increases by other non-European suppliers and a drop in global demand connected with the economic crisis. In this context, the impact of EU agricultural policy has to be pondered carefully. More than 90% of direct payments to European farmers are now decoupled from production or level of exports and export subsidies are now less than 10% of the level in the early 1990s. The re-introduction of export refunds for dairy products in early 2009 (these had been cut to zero in 2007) was triggered by the exceptional circumstances prevailing at the beginning of the year and is meant to be temporary.

In line with the commitment of the European Union to Policy Coherence for Development (PCD) and as reaffirmed in the recent Commission communication on "Policy Coherence for Development - Establishing the policy framework for a whole-of-the-Union approach" (COM(2009)458) the European Community (EC) remains strongly committed to the course set out in the 2003 Common Agricultural Policy (CAP) reform and in the recent Health Check to gradually dismantle the most trade-distorting elements of the CAP.

The European Community has consistently demonstrated its long-standing commitment in ongoing DDA negotiations, engaging constructively with others, including developing countries, to find acceptable compromises. The completion of the DDA remains a top priority for the EU. As stated at the last G20 Summit in Pittsburgh, the Commission is determined to seek an ambitious and balanced conclusion to the Doha Development Round in 2010. This also includes the elimination of export subsidies by 2013 as well as disciplines on other forms of export subsidisation. The EU remains the main importer of agricultural products, absorbing a higher share of total imports than the five major developed economies put together – US, Canada, Japan, Australia and New Zealand.

**Reply to question 14**  
**by Christa Klass**

With a billion people suffering from starvation, and numbers set to rise owing to the economic and financial crisis, the issue of food security must continue to be given the highest priority at international level. In a recent Communication, the Commission suggested that development policies should be a priority on the ongoing Coherence agenda in order to create the conditions required to ensure that all relevant EU policies help to combat hunger.

The development of a viable agricultural sector in the developing countries depends on a range of factors which go beyond European Union market support and exports. These factors include, in particular, conditions governing access to arable land and schemes to improve competitiveness, especially in relation to infrastructure. Climate change also has an impact. The European Union, for its part, has continuously reformed its Agricultural Policy since the early 1990s in order to reduce distortions in market conditions. Subsidies which are not linked to production account for over 90% of total aid. The European Union is the biggest importer of agricultural products and accords free access to all agricultural products from the least-developed countries and preferential arrangements to other developing countries. The European Union would like to see other industrialised countries open up to the developing countries to the same extent.

It is not possible to establish a link between the financial mechanisms introduced to help European producers overcome the exceptionally serious financial crisis and the mechanisms in place for distributing food aid to the poorest peoples. The two mechanisms meet different needs.

**Reply to question 21**  
**by J. Sargentini**

The situation in Somalia is degraded to a point that nobody can guarantee that support to the security sector is proof to abuses. Independent observers have no access to unsecure zones which currently correspond to about half of the country surface, and the UN issued a ban for their staff and hired personnel to travel to these zones. The consequence is that support to the security sector is a highly risky operation also because no mean is available to assess results. The only option is to disengage and leave Somalia alone.

The International Community, including the Commission, preferred to continue the engagement and adopting measures to minimise risks. The engagement consists in upgrading operating practices of the security forces to internationally accepted standards. The Commission achieves this through a programme called *Rule of Law and Security* that includes proper training, including a human rights component, and the establishment of clear command lines. Risks are minimised by ensuring the payment of salaries, the lack of which is reportedly the main cause of abuses. The essential components of preparing the legislation and setting up the judiciary system are also part of the programme. The final objective is to end impunity. To date results consists in about 2000 police who operate reportedly with reasonably satisfactory standards.

In addition, the Commission is working for addressing the root causes of abuses, namely on national reconciliation and the establishment of a functioning state capable of enforcing law and order.

On the humanitarian side, access and security remain the main concern for humanitarian aid agencies, who continue to face enormous daily challenges in delivering relief to the affected population. Humanitarian engagement in response to the dramatic needs are in fact taking place in concert with a wide range of development, political, and security interventions which are driven by political objectives and interests of a wide range of actors. It is perceived that many of these interventions, in particular those related to the security and political arena have so far demonstrated little if no consideration at all for the humanitarian principles. This lack of sensitivity to engagement in accordance with these principles has repeatedly undermined and restricted the ability of humanitarian actors to access populations in need of humanitarian aid<sup>7</sup>; in particular it has prevented aid agencies ability to undertake accurate field assessments, ensure proper monitoring and from scaling up their activities adequately to meet the growing needs. Despite the above, Commission (DG ECHO) funded partners continue to deliver aid and are constantly adjusting their operating modalities to the volatile (and unpredictable) Somali context.

**Reply to question 22**  
**by F. Kaczmarek**

The European Commission is preoccupied with the poor human rights record in Eritrea, including the fate of detained persons, especially prisoners of conscience, dissidents and journalists. Mr Davit Isaak is one of these persons.

Despite repeated appeals these prisoners remain in detention. None of them has ever been formally charged in court; their fate remains unknown. Families, advocates and doctors have been denied access to the prisoners. This conduct is in clear violation of obligations established in the international law ratified by Eritrea.

The European Union has continuously called on the Eritrean authorities to unconditionally release all political prisoners. One recent symbolic and political sign of Union's engagement is the EU Presidency Declaration on political prisoners in Eritrea adopted on 18 September 2009.

On a practical level, the European Union, through the Commission's Delegation in Asmara as well as through diplomatic representations of EU Member States present in the country, is enquiring, in the framework of the political dialogue with Eritrean authorities, on the fate and whereabouts of political prisoners and Mr Isaak. The objective of this dialogue is also to see, in time, a tangible progress in the human rights and governance area. The Eritrean side is fully aware of the EU's expectations in this respect as well as of the European citizens' concerns over respect of human rights all over the world, including in Eritrea.

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<sup>7</sup> Based on recent OCHA update (September 2009) on security, access conditions continued to deteriorate particularly in the South in almost all regions. This negative trend is mainly due to increased risks of targeting and kidnapping of humanitarian workers particularly international staff, increased hostility vis-à-vis foreign organizations and new threats over humanitarian aircrafts in Al-Shabaab controlled areas. The most dramatic changes were recorded in the Juba regions where the local authorities maintained their pressure on NGOs and UN agencies, leading to the closure of several offices, the suspension of several humanitarian projects and the relocation of all international staff.

Issues of human rights, democratic principles and the rule of law will remain on the agenda of the political dialogue of the EU with Eritrea (Art. 8 of the Cotonou Agreement). The difficult context of this dialogue will not stop the Commission from raising human rights concerns with Eritrean counterparts.