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REPORT

on the implementation of the programming of the 10th European Development Fund
(2007/2138(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation of the programming of the 10th European Development Fund (2007/2138(INI))

The European Parliament,

- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States of the other part, signed in Cotonou, Benin, on 23 June 2000 (2007/2138)¹ (the Cotonou Agreement),
 - having regard to the Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies²,
 - having regard to Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement³,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and the opinions of the Committee on Foreign Affairs and the Committee on Budgets (A6-0042/2008),
- A. whereas implementation of the 10th European Development Fund (EDF) depends on completion of the ratification process (by all of the EU Member States and two thirds of the members of the African, Caribbean and Pacific (ACP) Group of States) no later than 30 November 2007 in order to allow entry into force on 1 January 2008 (Article 93(3) of the Cotonou Agreement),
- B. having regard to the ‘sunset clause’, which now rules out the possibility of using balances remaining from earlier EDFs,
- C. having regard to the Commission’s undertaking to ensure that the full amount of funding under the 9th EDF would be committed by 31 December 2007,
- D. whereas the EDF to this day remains outside the EU budget, in spite of Parliament’s calls for its incorporation,

¹ OJ L 317, 15.12.2000, p. 3, Agreement as revised by the agreement signed on 25 June 2005 (OJ L 209, 11.8.2005, p. 27).

² OJ L 247, 9.2.2006, p. 32.

³ OJ L 152, 13.6.2007, p. 1.

- E. whereas the fact that the European Parliament and the national parliaments exercise no formal scrutiny over the EDF, because it is not entered in the EU budget, is, in democratic terms, a democratic deficit,
- F. having regard to the study conducted by the Commission in 64 ACP countries on the involvement of non-state actors in the programming of the 10th EDF, which showed that although information was provided in every case, genuine participation occurred in only half of the countries studied,
- G. whereas at the Lisbon EU-Africa Summit (8-9 December 2007) a new Africa-EU strategic partnership was launched, together with an 'Action Plan (2008-2010)', both based on 'the ... principles of the unity of Africa, the interdependence between Africa and Europe, ownership and joint responsibility, and respect for human rights, democratic principles and the rule of law, as well as the right to development', and whereas at that meeting the European Parliament and the Pan-African Parliament also adopted a Joint Statement calling for the parliaments to play a stronger role in the new strategy,
- H. having regard to the political commitments of the EU and the Member States relating to development aid – in particular for Africa – and its effectiveness,
- I. having regard to the EU's pledge to increase its aid for trade to EUR 2 000 000 000 by 2010 (with EUR 1 000 000 000 to be provided by the Commission and EUR 1 000 000 000 by the Member States),
- J. having regard to the indicative breakdown of funding under the 10th EDF, in which roughly 30% is earmarked for general budgetary support, 30% for infrastructure, 15% for governance (including peace and security), 8% for agriculture and rural development, and 8% for social sectors and social cohesion, the remainder being split among areas including economic development, institutional support, and the environment,
- K. whereas the proportion of funding allocated to health and basic education is slightly lower under the 10th EDF than under the 9th EDF,

Challenges and objectives of the 10th EDF

1. Points to the importance of what is at stake in the implementation of the EDF in the period from 2008 to 2013, not least in view of the political commitments that the EU and the Member States have entered into regarding development aid, the ongoing moves towards a revitalised partnership between Europe and Africa, and the EU's contribution to help achieve the Millennium Development Goals (MDGs) in 2015;
2. Fully endorses the primary objective of cooperation laid down in Article 1 of Regulation (EC) No 617/2007, namely 'the eradication of poverty in partner countries and regions in the context of sustainable development, including pursuit of the Millennium Development Goals'; attaches the utmost importance to ensuring that these priority objectives are put into practice by means of all the implementing instruments and procedures provided for in the regulation and deplores the fact that the provisions relating to Country Strategy Papers and Regional Strategy Papers are based on a restrictive interpretation of these objectives;

3. Calls for implementation of the EDF to be equated with the EU international commitments referred to in Article 177(3) of the EC Treaty;
4. Maintains that the EDF must be implemented in accordance with the United Nations Development Programme (UNDP) recommendations on the use of official development assistance (ODA) and that, at the very least, any measure should be excluded from the programming if it does not satisfy the criteria for ODA laid down by the Development Assistance Committee (DAC); calls for Article 2(3) of Regulation (EC) No 617/2007 to be amended accordingly;
5. Welcomes the desire for simplification and harmonisation, the chief concern when new Regulation No 617/2007 was drawn up; considers that the determination to move into line with the development cooperation instrument¹ (DCI) should help to strengthen Parliament's role in monitoring and supervising EDF implementation;
6. Is in favour of incorporating the EDF into the EU budget in order to increase the consistency, transparency and effectiveness of development cooperation and guarantee democratic scrutiny thereof; stresses that incorporation of the EDF into the budget is also an appropriate way of addressing recurrent problems relating to the cumbersome nature and slowness of the intergovernmental ratification process; calls on the Council to provide for the budgetisation of the EDF in the context of the mid-term review of the financial perspective in 2009;
7. Welcomes the decision whereby the paragraph excluding the EDF from the scope of the Treaty, Article 179(3), will not be reproduced in the Treaty of Lisbon, thus opening the way for the EDF to be incorporated in the EU budget;
8. Points out that its emphasis on coherence in the policies to promote development and in Europe's commitments stems from its concern to prevent development policy aims being overturned by other Union policies with development policy implications (trading, environmental, security, and agricultural policy, etc.);
9. Calls on the Commission to focus more attention on the outflow of skilled labour from the ACP countries to the EU and propose appropriate measures to help people to stay in, or return to, their home countries;
10. Points to its support for the principles of ownership and participation at the heart of the Cotonou Agreement and the European Consensus on Development²;

¹ Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

² Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: The European Consensus (OJ C 46, 24.2.2006, p. 1).

Time frame

11. Calls on the EU Member States and the ACP countries which have not yet done so to ratify the Internal Agreement and the revised Cotonou Agreement so as to begin the implementation of the 10th EDF as soon as possible;
12. Notes the Commission's undertaking that all the 9th EDF funds will be committed before the 31 December 2007 deadline; calls on the Commission to take all the appropriate measures to ensure that no appropriation is affected by the sunset clause and that the continuity of funding is guaranteed;
13. Stresses that, owing to this binding time frame, it has not been possible fully to associate civil societies and parliaments in the programming and insists that these shortcomings in the consultation process be remedied at the implementation stage;

Strategy papers and priority action areas

14. Stresses that, in order to attain the objectives laid down in Article 1 of Regulation (EC) No 617/2007, programming should give priority to action aimed at poverty reduction, with a specific emphasis on MDG-related areas such as the social sectors, in particular public health and basic education; stresses that the undertaking given in the context of the DCI to devote 20% of funds to health and basic education by 2009 should apply to all European development policy spending including the EDF in order to be coherent;
15. Notes the Commission's intention to attain this objective through budgetary support, but regrets that no global strategy has been drawn up jointly with the beneficiary countries to include the health and education sectors in the priorities in the national strategy papers; calls for this issue to be reassessed in the context of the mid-term review to attain the 20% objective;
16. Stresses that durable poverty reduction can only be achieved in a situation of sustainable economic, social and environmental development; stresses further that all EDF action should therefore be part of a development process aimed at creating a strong economy that is protective of the environment and where nobody is deprived of basic social services;
17. Stresses that sustainable development can never be fully achieved in situations of war, civil strife or political instability; considers therefore that priority should also be given to democracy-building and efforts to maintain or support peace, the rule of law, stable and democratic institutions, as well as full respect for human rights;
18. Takes the view that national strategy papers should be subject to democratic scrutiny and should not therefore be drawn up and applied without parliamentary scrutiny; considers that passing on national strategy papers to the ACP-EU Joint Parliamentary Assembly (JPA) is a significant contribution to the ownership objective enshrined in the Cotonou Agreement and represents a positive step towards conferring institutional power, in the comitology framework, on the JPA and the European Parliament; calls on the Commission to ensure that the JPA has the material resources to successfully complete its work on the

national strategy papers and that its opinions are dealt with in Commission follow-up reports;

19. Deplores the fact that Regulation (EC) No 617/2007 makes no provision for any explicit procedure to involve or consult the European Parliament, the national parliaments, local authorities and non-state actors (NSAs) in the drafting, monitoring and assessment of national strategy papers; calls on the Council and the Commission to systematically include such consultations in the programming;

Gender dimension

20. Deplores the fact that the gender dimension has not been included as a specific area of action; calls for this decision to be reconsidered in the context of the mid-term review of the implementation of the EDF, in agreement with the ACP partners;
21. Calls on the Commission to honour commitments made with regard to gender equality in key policy documents such as the European Consensus on Development and the Joint EU-Africa Strategy and indeed in the Cotonou Agreement, and thus to guarantee that gender issues will be included among the political priorities of the ACP-EU partnership, with adequate attention and funding given in the context of gender mainstreaming; insists that the visibility of gender issues be increased by including a relevant chapter and specific indicators in the annual report drawn up by the Commission in order to improve the monitoring and supervision of the progress achieved;

Budgetary support

22. Takes the view that budgetary support can make an effective contribution to the eradication of poverty and achievement of the MDGs, in particular where resources are concentrated on the basic education and health sectors; shares the Commission's avowed determination to apply leverage through budgetary support in order to increase the proportion of national budgets earmarked for these sectors;
23. Recalls that the effectiveness and legitimacy of budgetary support are conditional upon strict respect for a number of prior conditions, in particular, on the one hand, closer coordination between donors and, on the other, respect for democratic rules, good governance and a system for the management of public finances scrutinised by a democratically elected parliament in the beneficiary countries; calls on the Commission to ensure that these prior conditions are rigorously complied with before initiating any budgetary support programme;
24. Welcomes the Commission's undertaking to link budgetary support directly to progress made in achieving the MDGs and to help attain the MDGs by means of 'MDG contracts' providing guaranteed funding over a longer period, thus serving to make aid more predictable;
25. Calls for budgetary support to be assessed on the basis of transparent, reliable indicators enabling progress on the MDGs to be gauged and for that assessment to be the subject of a

report to be submitted annually to the European Parliament, the JPA, the national parliaments, and NSAs;

26. Calls for specific resources to be allocated, in the context of budgetary support, to capacity building for all ACP parliaments in the area of budgetary monitoring;

Incentive tranche

27. Recalls its attachment to the promotion of good governance and is prepared to endorse the principle of a 'good governance premium' in the framework of the political dialogue defined in Article 8 of the Cotonou Agreement, provided that the criteria for allocating this premium and implementing procedures are clear and transparent;
28. Notes that a number of criteria established by the Commission for the breakdown of the incentive tranche primarily reflect the interests of the North and protests against any drift towards a form of conditionality of aid based on criteria which do not relate exclusively to good governance;
29. Voices its concern at the interpretation of criteria relating to economic and social governance; protests against the imposition of economic and social 'hidden criteria' and considers that the analysis of legislation and public policy in this area should not lead to liberalisation and deregulation requirements; recommends that criteria relating to the existence and quality of public services should be added to governance profiles; points out that the stance of ACP states or regions on the final choice of whether or not to take part in the Economic Partnership Agreements (EPA) should not constitute a criterion;
30. Calls on the Commission to clarify the decision-making that will determine how incentive tranche funds are to be broken down, and to produce proposals to ensure that the European Parliament and NSAs are informed about this matter;

Regional integration, aid for trade and EPAs

31. Recalls that the EU has undertaken to increase its aid for trade to EUR 2 000 000 000 per year and to devote 50% of this additional aid to ACP countries, with this increase being covered by additional funds; considers it extremely important that the EU honour its commitment on aid for trade and calls on the Commission and the Council to report on the current situation as regards commitments by the EU and the Member States to attain this objective;
32. Insists that funding from integrated regional programmes should benefit all ACP countries or regions equitably, irrespective of the states' final decision on whether or not to take part in the EPAs; protests against all forms of conditionality linked to participation in an EPA in the allocation of integrated regional programme funds;
33. Repeats its request that the specific needs linked to adjustment of ACP economies in line with EPAs be met using funds over and above the EDF;

Participation

34. Stresses that *a posteriori* examination of the EDF discharge by the European Parliament is an inadequate means of democratic scrutiny and calls on the Council to confer on it, pending the EDF's incorporation into the EU budget, an institutional role relating to the entire process of monitoring and assessing the programming;
35. Deplores the particularly vague and ambiguous wording of the rules laying down the role of the players in the programming of Community aid (see Article 2(3) of Regulation (EC) No 617/2007); calls for the European Parliament, the national parliaments, local authorities and representative NSAs to be involved in the programming process and in the monitoring and supervision of EDF implementation;
36. Calls on the national parliaments of the EU Member States and ACP countries to exercise close parliamentary scrutiny of governments as regards the programming of the EDF; calls on the Commission to ensure that the national parliaments are actively consulted at every stage when strategy papers are being drafted and followed up;
37. Reiterates its support for the call by the JPA, made at the Assembly's 9th session in April 2005, for an appropriate percentage of EDF funding to be allocated for the education and political training of parliamentary representatives and political, business, and community leaders in order to promote lasting consolidation of good governance, the rule of law, democratic structures, and interaction between government and opposition in pluralist democracies founded on free elections;

Monitoring and evaluation of results

38. Calls for the European Parliament, the national parliaments and NSAs to be consulted in 2010 on the mid-term review of the implementation of the EDF and the investment facility;
39. Welcomes the Commission's drafting of an annual report on the implementation of aid provided under the EDF, which is forwarded to the European Parliament; will be particularly vigilant, in examining this annual report, with regard to the impact of aid on the eradication of poverty and its contribution to achieving the MDGs; calls for this annual report also to be forwarded to the JPA, the national parliaments and non-state actors;
40. Welcomes the fact that the Commission and the European Investment Bank (EIB) intend to assess outcomes regularly, focusing particular attention on progress towards achieving the MDGs, and to involve all stakeholders, including non-state actors, when the time comes to assess Community aid, a process in which the European Parliament, the national parliaments and the JPA will naturally be called upon to participate; calls on the Commission to specify what procedures will be employed and how often such assessments will be made;
41. Maintains that in times of crisis or conflict, the experience and expertise of members of parliament and civil society representatives are particularly valuable and calls on the

Commission to consult them before taking special measures within the meaning of Article 8(2) of Regulation (EC) No 617/2007;

Effectiveness of aid

42. Notes with satisfaction that the Paris Declaration on Aid Effectiveness has been mentioned and calls for the programming of the EDF to conform to its recommendations; maintains, however, that a balanced partnership of equals between the EU and the ACP countries cannot be built solely on the strength of harmonisation and an organised grouping of financial backers, but must foster above all reciprocal obligations and mutual accountability, for instance as regards governance;
43. Encourages the Commission to implement its plan to closely monitor progress in this area and to draw up a specific report in the context of preparations for the Accra Summit in September 2008; calls for the assessment of the effectiveness of aid to form the subject of a periodic report, to be submitted to the European Parliament;
44. Acknowledges that the efforts made by the Commission to speed up payments have made it possible to significantly improve the rate of implementation of the EDF; stresses, however, that more needs to be done in this area and calls on Member States to contribute actively to the process; calls on the Commission to draw up, for the European Parliament and the JPA, a three-monthly statement on the disbursement of funds;
45. Fully shares the determination to make aid more predictable when implementing the EDF;

African Peace Facility

46. Strongly supports the introduction of an African Peace Facility and calls for the operating rules for that instrument to reflect a more intensive political partnership between the EU and the African Union, consistent with the main thrust of the new EU-Africa Joint Strategy;
47. Maintains that the African Peace Facility should be considered a Common Foreign and Security Policy (CFSP) instrument and does not fall under the heading of development as defined by the DAC criteria; greatly deplores the Council's decision of 11 April 2006 that the peace facility should be financed by the EDF;
48. Calls on the Commission and the Council to provide alternative funding at the latest following the evaluation which should be carried out in 2010 of the African Peace Facility; asks to be consulted within this evaluation;
49. Calls for the European Parliament and the JPA to be consulted on the 2008-2010 action programme and the annual activity report on the use of funds, drawn up by the Commission;

Co-financing and consistency with other instruments

50. Approves of the possibility opened up by the programming of the 10th EDF for

development projects to be co-financed with Member States or other financial backers;

51. Recommends that this possibility be made available to other EU financial instruments and repeats its call for a new programmable and predictable pan-African financial package to be established, to be funded by the EDF, the specific DCI instruments, and the European neighbourhood policy instrument with a view to financing and supporting the implementation of the new EU-Africa Joint Strategy;
52. Calls for ACP-EU joint programmes to be set up on a co-financing basis to provide joint responses to major world-wide challenges, such as access to global public goods and climate change, and thus to help strengthen the political partnership under the Cotonou Agreement;

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53. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

A new procedure

Until the 9th EDF, the procedure related to three instruments (Cotonou Agreement, financial protocol, 'internal agreement') which needed to be ratified in all the Member States and two thirds of ACP countries (only in the case of the first two texts). It was therefore an extremely cumbersome procedure (lasting 2 years and 10 months in the case of the 9th EDF). In the meantime it was possible to use the remaining funds under the previous EDF.

In the case of the 10th EDF, the internal agreement (signed on 17 July 2006) was reduced to its simplest expression in order to speed up the ratification process. The main programming rules are the subject of a new implementing regulation, adopted by the Council on 14 May 2007, which is the text referred to the European Parliament.

With a view to harmonising procedures, this draft regulation has been based on the DCI model. This is a positive development since it incorporates aspects negotiated by the EP into the codecision framework. It also represents a step towards the budgetisation of the EDF, as called for by this report.

A major issue on the European development agenda

This is a vitally important issue in quantitative terms since it concerns the use of a major share of EU development aid for the period 2008-2013 for the benefit of some of the most vulnerable countries in the world.

In qualitative terms, the regulation should be seen against the background of international and European mobilisation in the area of international solidarity, especially in favour of LDCs, most of which are ACP countries. The period of implementation of this 10th EDF partly coincides with a number of important stages in the European and world development agenda:

- the official development aid commitments of the EU and Member States,
- the achievement of the MDGs by 2015,
- the new EU-Africa strategy,
- mobilisation on the issue of effectiveness of aid, including the 2008 Accra summit on the follow-up to the Paris Declaration,
- the implementation of the EPAs,
- the review of the financial perspective in 2010, during which the issue of budgetisation will need to be raised.

The time frame

The ratification process must be completed by 31 December 2007. This is a strict deadline since the remaining funds under the 9th EDF are no longer transferable. The Commission has undertaken to ensure that all 9th EDF funds are committed by that date. However, there is still the problem of the cumbersome nature of the intergovernmental ratification process.

The EP's concern should be to ensure that 9th EDF funds are not lost as a result of the sunset clause. It is also regrettable that the various players concerned, in particular the national parliaments and the ACP-EU Joint Parliamentary Assembly (JPA), have not been adequately involved owing to the tight schedule.

Participation

Following the shortcomings in the programming process, we must ensure that these players are involved in the 10th EDF's implementation phase, in accordance with the principles of ownership and participation which should characterise the EU's development policy. The EDF's incorporation into the budget will make it possible to remedy the current inadequacies. In the meantime, significant progress needs to be made in this area. However, the provisions on participation are still inadequate or unduly vague. This report is therefore urging that participation be stepped up with regard to all aspects of the procedure - strategy papers, effectiveness of aid and evaluation of results.

Country and regional strategy papers

The strategy papers are the main instruments in the implementation of the EDF. This report is therefore stressing two vital points:

- the priority to be given to the social sectors, in particular health and basic education,
- democratic scrutiny.

On both these points, the provisions contained in the regulation and the information currently available on the content of strategy papers are inadequate in many respects. Admittedly, the forwarding of these documents for information to the JPA is a step in the right direction. However, substantial progress is needed to guarantee the participation of and scrutiny by the EP, the national parliaments and NSAS in the drafting, implementing and evaluation of strategy papers.

Priority action areas

We must ensure that the provisions contained in this draft regulation comply with the objective laid down in Article 1 thereof, namely 'the eradication of poverty' and 'pursuit of the MDGs'.

The objective established in the European budget since 2001 - that 20% of aid should be allocated to primary health and education - should also apply to the EDF. This is far from being the case since the 10th EDF only provides for 6.1% in direct aid to these two sectors (3.3% for health and 2.8% for education, to which should be added 1.6% for social cohesion). The Commission considers that the 20% objective will be attained through budgetary support. This is insufficient. The priority to be given to health and education should be clearly established through the strategy papers' priority areas.

The gender dimension

All international organisations and institutions working on development issues stress the importance of development projects involving women or relating specifically to women. This report reaffirms Parliament's wish to see gender issues included among the priorities of EU cooperation policy. In this connection, the fact that this theme is not one of the 10th

EDF's areas of action as such is regrettable. Unless results in relation to the gender dimension are specifically evaluated, mainstreaming cannot guarantee the effectiveness or visibility of EU action in this area.

Effectiveness of aid, transparency, monitoring and assessment of results

This regulation contains positive innovations in relation to the monitoring and evaluation of the effectiveness of aid. Significant improvements have also been secured over the last few years in terms of speeding up payments even though work still needs to be done in this area, especially with regard to a number of Member States. However, the effectiveness of aid should be monitored and assessed by the EP, the JPA and NSAs.

As regards the monitoring and evaluation of results of the implementation of the 10th EDF, the regulation also contains a positive development, namely the drafting of an annual report to be forwarded to the EP. The Commission has also stated that it intends to assess results on a regular basis, focusing its attention on progress made in achieving the MDGs and involving all the players concerned. However, clarifications are required as regards the EP's powers on the annual report and identifying the 'players'.

Capacity building

The national parliaments should have a vital role to play in devising, implementing and scrutinising the results of programming. To do this, they need to be supported in terms of both material resources and training for parliamentarians. This report calls for two forms of support:

- financial resources to strengthen the parliaments' capacities,
- specific support for the budgetary follow-up, financed by budgetary support.

NSAs should also benefit from such capacity - building measures.

Budgetary support

Provision has been made for a significant increase in budgetary support. This can act as an important and effective lever in EU development policy as part of its contribution to achieving the MDGs.

However, these goals can only be achieved if certain conditions are met:

- closer coordination between donors,
- good governance, democracy, respect for fundamental freedoms and a system of management of public finances scrutinised by a democratically elected Parliament in beneficiary countries.

Budgetary support and the 'incentive tranche' must not be used to introduce new conditionalities or provide donors with a means of interfering in the budget or national policies and reducing ACP countries' political leeway. Stringent control of this instrument is therefore essential to guarantee:

- that these conditions are met and thus to avoid abuses highlighted by the EP in its latest report on the EDF discharge,
- that this aid actually contributes to achieving the MDGs,
- that the national parliaments and civil societies are genuinely involved.

The incentive tranche

This is a novel aspect of the 10th EDF, part of whose funds will be allocated, subject to a number of conditions, to promoting good governance. In principle, we endorse the idea of a good governance 'premium', aimed at strengthening political dialogue between the EU and ACP partners in accordance with Article 8 of the Cotonou Agreement. However, there is much uncertainty with regard to this provision:

1. The decision-making process is unclear.
2. No provision is made for scrutiny by or even provision of information to the EP, the parliaments, NSAs or the JPA. Monitoring is only possible *a posteriori* on the basis of the 'governance plans' published as an annex to the strategy papers.
3. Some of the criteria governing the 'governance profiles' or their interpretation raise problems. The Commission has added to the list a number of criteria which do not relate directly to good governance, or primarily reflect the interests of the North, such as the liberalisation of markets, the fight against terrorism, commitments on weapons of mass destruction, implementation of the obligation to readmit migrants, etc.

The only way to remove any ambiguity would be to provide for scrutiny outside the Commission (EP, Parliaments, JPA, NSA) of procedures and requirements for payment of the incentive tranche. This should be explicitly provided for in the implementation of the EDF.

Co-financing and consistency with other instruments

Another novel aspect of this regulation is the possibility of co-financing development projects with the Member States or other donors. This is a positive step, in line with the demands of the institutions and development NGOs. This report stresses that co-financing should act as a means of strengthening the political partnership between the EU and the ACP countries, in keeping with the guidelines contained in the new EU-Africa strategy. It recommends extending the co-financing procedure to other EU financial instruments in order to create a 'pan-African development fund' jointly funded from the EDF and the neighbourhood instrument.

Regional integration, aid for trade and EPS

At the end of 2005 the European Union undertook to increase its aid for trade by EUR 2 billion per year by 2010 (one billion from the Commission and one billion from the Member States). The Council undertook to devote 50% of this additional aid to ACP countries. This commitment must be met.

Moreover, the report raises the question of using the funds for the integrated regional programmes, as part of the implementation of this 10th EDF. The Commission has significantly increased these funds to meet the growing needs in this area, as well as to finance measures for the adjustment of ACP economies in connection with the conclusion of the EPAs.

On this point, the report stresses two major EP demands:

- 1 - EPA funding should be additional to the EDF funds.
- 2 - Clarifications are required regarding the breakdown of integrated regional programme funds between regions and ACP countries in order to guarantee, in particular, that no form of conditionality can be introduced according to whether or not countries participate in EPAs, as emphasised in the Kigali Declaration adopted by the JPA.

African Peace Facility

While giving its political support to the introduction of this facility, the EP must raise the issue of its funding. This instrument, which comes under the CFSP, is due to be financed from EDF appropriations for the period 2008-2010. This decision is unacceptable and is a further demonstration of the way in which EU development policy resources are being diverted to serve other objectives. This report calls for the procedure to be reconsidered following the review of the facility's funding in 2010.

28.11.2007

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Development

on Programming Implementation of the 10th European Development Fund
(2007/2138(INI))

Draftswoman: Angelika Beer

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. Having regard to Case C-91/05 brought before the Court of Justice of the European Communities on 21 February 2005 by the Commission against the Council, concerning the CFSP action on Small Arms and Light Weapons in the framework of ECOWAS,
- B. Considering that the judgment to be delivered by the Court in this matter has the potential to become a landmark case for the clarification of the long-standing struggle between the Council and the Commission over competences in the overlapping fields of development and CSDP action,
 1. Takes note of the opinion delivered in Case C-91/05 by the Advocate General on 19 September 2007, in which he expressed the view – contrary to the position advanced by the Council – that combating the proliferation of small arms and light weapons does fall within the scope of the Community's policy on development cooperation, including on the basis of Article 11(3) of the Cotonou Agreement;
 2. Calls on the Council and the Commission to provide for SALW and DDR projects within the 10th European Development Fund in the event that the outcome of Case C-91/05 allows for such activities;
 3. Draws attention to the fact that the African Peace Facility (APF) represents another case in which "development" is disputed as the primary goal of this EUR 250 million financial envelope; urges, therefore, that a different sourcing be considered for the future replenishment of the APF, such as the Stability Instrument;
 4. Given the delicacy of the matter, calls on the Council and the Commission to include the European Parliament in the debate on future peace support operations funded from the APF, and to transmit to Parliament at the earliest opportunity the intra-ACP indicative programme, the action programmes and the annual activity reports on the use of funds;

5. Suggests that the APF activities be debated within the framework of the CFSP meetings with the Council presidency;
6. Regrets that, contrary to the decision contained in the Internal Agreement between the Representatives of the Governments of the Member States to harmonise Community and EDF procedures as far as possible, such harmonisation takes place only to a limited degree; in particular, whilst welcoming the fact of receiving the country and regional evaluation reports for information, underlines its wish to be kept equally informed about the process of preparing the strategic documents, their implementation and their mid-term review.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.11.2007
Result of final vote	+: 33 -: 1 0: 0
Members present for the final vote	Christopher Beazley, Elmar Brok, Véronique De Keyser, Hanna Foltyn-Kubicka, Bronisław Geremek, Ana Maria Gomes, Anna Ibrisagic, Metin Kazak, Helmut Kuhne, Vytautas Landsbergis, Francisco José Millán Mon, Raimon Obiols i Germà, Vural Öger, Cem Özdemir, Ioan Mircea Pașcu, Alojz Peterle, Samuli Pohjamo, Bernd Posselt, Michel Rocard, Libor Rouček, Jacek Saryusz-Wolski, György Schöpflin, Hannes Swoboda, István Szent-Iványi, Inese Vaidere, Geoffrey Van Orden, Kristian Vigenin, Jan Marinus Wiersma, Josef Zieleniec
Substitute(s) present for the final vote	Alexandra Dobolyi, Kinga Gál, Jaromír Kohlíček, Aloyzas Sakalas, Luis Yañez-Barnuevo García
Substitute(s) under Rule 178(2) present for the final vote	

7.2.2008

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Development

on the implementation of the programming of the 10th European Development Fund
(2007/2138(INI))

Draftsman: Reimer Böge

SUGGESTIONS

The Committee on Budgets calls on the Committee on Development, as the committee responsible, to take account of the following remarks:

Firstly, the Budgets Committee has supported the integration of the EDF into the general budget on the basis of the principle of unity of the budget and for reasons of transparency, accountability and effective implementation. The current fragmentation of financial resources available for the external relations of the Union makes this much more difficult.

The committee has also, in order to promote effective implementation of financial resources, underlined that, through budgetisation, the unsatisfactory situation of having different financial regulations and different implementing rules could be overcome.

Nevertheless, the committee as well as the Parliament as a whole, have also pointed out that budgetisation should not jeopardise other policies financially and would therefore have to be considered in the context of the financial framework, which would need to be adjusted so as to bring the corresponding additional resources into the general budget. It is too early to say, realistically, when this might be achievable for the EDF given the attitude of the Council.

Let me take the opportunity to recall the successful cooperation between our committees as concerns the combination of legislative and budgetary powers to achieve development objectives. The use of the budget, in strategic cases such as the issue over benchmarking targets for the Commission and sufficient involvement of the Parliament in the definition of strategic documents, has been a very useful tool. We are certainly supportive of your efforts to achieve similar guidelines and parliamentary scrutiny also for EDF funds.

Also in the EDF, the Commission has over the last 10 years increasingly used direct budgetary aid as a preferred delivery mechanism for EU funds. The Budgets Committee has pointed out that this can have benefits, for example as regards "empowerment" of the development process in partner countries and in donor coordination of budgets. Nevertheless, we have also consistently pointed out that this instrument needs to be balanced against whether sufficiently developed budgetary and financial management systems are present in the partner countries concerned.

The committee is of the opinion that this should necessarily be a key factor in the programming of the 10th EDF, as many ACP countries still have poor public financial management and budgetary systems. We therefore believe that a high degree of individuality is needed in the programming process to ensure that risk is minimised and that the appropriate delivery mechanisms are carefully tailored.

In doing so, we are hopeful that the Union's development objectives can be effectively pursued under the 10th EDF while maintaining a satisfactory level of supervision of and accountability of EU spending.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	23.1.2008
Result of final vote	<div style="display: flex; justify-content: flex-end; padding-right: 10px;"> <div style="text-align: right; margin-right: 10px;">+:</div> <div style="text-align: right;">28</div> </div> <div style="display: flex; justify-content: flex-end; padding-right: 10px;"> <div style="text-align: right; margin-right: 10px;">-:</div> <div style="text-align: right;">0</div> </div> <div style="display: flex; justify-content: flex-end; padding-right: 10px;"> <div style="text-align: right; margin-right: 10px;">0:</div> <div style="text-align: right;">0</div> </div>
Members present for the final vote	Reimer Böge, Costas Botopoulos, Simon Busuttil, Daniel Dăianu, Gérard Deprez, Brigitte Douay, Hynek Fajmon, Ingeborg Gräßle, Catherine Guy-Quint, Jutta Haug, Monica Maria Iacob-Ridzi, Anne E. Jensen, Wiesław Stefan Kuc, Janusz Lewandowski, Vladimír Maňka, Jan Mulder, Cătălin-Ioan Nechifor, Gérard Onesta, Margaritis Schinas, Nina Škottová, Theodor Dumitru Stolojan, László Surján, Gary Titley, Kyösti Virrankoski, Ralf Walter
Substitute(s) present for the final vote	Thijs Berman, Esther De Lange, Hans-Peter Martin

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	29.1.2008
Result of final vote	+: 34 -: 0 0: 0
Members present for the final vote	Thijs Berman, Josep Borrell Fontelles, Danutė Budreikaitė, Marie-Arlette Carlotti, Corina Crețu, Ryszard Czarnecki, Nirj Deva, Koenraad Dillen, Fernando Fernández Martín, Alain Hutchinson, Romana Jordan Cizelj, Madeleine Jouye de Grandmaison, Filip Kaczmarek, Glenys Kinnock, Maria Martens, Gay Mitchell, Luisa Morgantini, Horst Posdorf, José Ribeiro e Castro, Toomas Savi, Frithjof Schmidt, Jürgen Schröder, Feleknas Uca, Johan Van Hecke, Jan Zahradil.
Substitute(s) present for the final vote	Gabriela Crețu, Sorin Frunzăverde, Miguel Angel Martínez Martínez, Manolis Mavrommatis, Catherine Neris, Atanas Paparizov, Anne Van Lancker, Ralf Walter, Renate Weber.
Substitute(s) under Rule 178(2) present for the final vote	