



## **Implementation of EU Cooperation under the Development Cooperation Instrument: Ensuring country and regional strategies are compatible with the DCI**

The Development Cooperation Instrument (DCI) came into force at the end of 2006, and the first meeting of the DCI Committee takes place on 25 and 26 January 2007. At this meeting 16 draft country strategy papers will be considered<sup>1</sup>.

At the same time the European Parliament is scrutinizing the draft strategy papers with a view to presenting its opinion on the scope, content and conformity of the strategies with the DCI.

Eurostep has had the opportunity to analyse a number of the strategy papers and indicative programmes. The results of these have been compiled and have been posted to the websites established by Eurostep to follow the EU's programming of its aid. The analysis can be found on the country update pages under the specific countries concerned. The urls of the website are:

Programming in Asia: <http://www.asia-programming.eu>

Programming in Latin America: <http://www.la-programming.eu>

The following pages include the texts of letters written to the European Commission and to the EU member states on the Strategy papers, together with articles in the media:

- Letter from Eurostep to Commissioners Ferrero-Waldner and Michel
- Letter from Eurostep to EU Member State government representatives
- Letter from Stop Aids Alliance to EU Member State governments
- Article in Terra Viva on 17 January 2007
- Article in EUObserver on 19 January 2007
- Article in Terraviva on 23 January 2007
- Extract from letter from Commission to the EP

25 January 2007

---

<sup>1</sup> Malaysia, Yemen, Laos, Thailand, Burma, El Salvador, Uruguay, Andean Community, Honduras, Chile, Peru, Mexico, Guatemala, Brazil, Panama, Ecuador.

Brussels, 22 January 2007

Ms B. Ferrero-Waldner  
Commissioner for External Relations  
Mr. L. Michel  
Commissioner for Development  
Commission of the European Community  
Rue de la Loi 200  
B-1049 Brussels

**Subject: Democratic Scrutiny arrangements under the Development Cooperation Instrument (DCI)**

Dear Ms Ferrero-Waldner and Mr Michel,

I write to you in relation to the democratic scrutiny of the Country Strategy Papers for Asia and Latin America. With the entry into force last month of the DCI, a new chapter in inter-institutional dialogue on the next generation of CSPs has opened. This is most welcome and we must hope that these arrangements will lead to greater consistency and harmony between the Commission, the Parliament and Member States in responding to the needs of the poor in recipient countries.

You will be aware of Eurostep's interest in the consultation process undertaken by the Commission in 2006. The report we launched at the end of last year, "*We decide, You own*", was an outcome of that interest, drawing together experience and analysis of civil society engagement in national consultations. This work has highlighted a number of areas of very particular concern in terms of the consultation to date. These concerns find strong resonance in discussions taking place during these days at the World Social Forum in Nairobi.

It is against this backdrop that our attention is turned to the consultation process amongst the EU institutions themselves. We understand that a total of 33 draft CSPs are under review by Member States and Parliament, and that opinion is sought from all parties with a view to their adoption in early March. We anticipate that this review process and the issues to emerge from it will be addressed with reference to the principles of the DCI<sup>ii</sup> as well as those working practices agreed in relation its implementation<sup>iii</sup>. There should be no ambiguity as to the importance of the Commission's consideration of concerns which may be raised in the coming month.

*Eurostep is a member of CONCORD*

The level of cooperation enabled through the DCI presents challenges but also opportunities as never before. We trust that these new arrangements for consultation and consideration will lead to a new generation of CSPs which are all the more effective as a result of sound democratic scrutiny by all parties involved.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Simon Stocker', with a stylized, cursive script.

Simon Stocker  
Director

---

<sup>i</sup> Available at [http://www.eurostep.org/wcm/index.php?option=com\\_content&task=view&id=89&Itemid=0](http://www.eurostep.org/wcm/index.php?option=com_content&task=view&id=89&Itemid=0)

<sup>ii</sup> REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a financing instrument for development cooperation - Article 3 'General Principles'

<sup>iii</sup> GENERAL SECRETARIAT OF THE COUNCIL, NOTE, for the Members of the Working Party on Development Cooperation, DOC. n° 152/1/06 REV 1 ADD 1 DEVGEN, Brussels, 29 September 2006.

Brussels, 22 January 2007

Mr. Stefan Vavrik  
Development Counsellor  
Permanent Representation of Austria

**Subject: Democratic Scrutiny arrangements under the Development Cooperation Instrument (DCI)**

Dear Mr. Stefan Vavrik,

I write to you in relation to the democratic scrutiny of the Country Strategy Papers for Asia and Latin America. With the entry into force last month of the DCI, a new chapter in inter-institutional dialogue on the next generation of CSPs has opened. This is most welcome and we must hope that these arrangements will lead to greater consistency and harmony between the Commission, the Parliament and Member States in responding to the needs of the poor in recipient countries.

You will be aware of Eurostep's interest in the consultation process undertaken by the Commission in 2006. The report we launched at the end of last year, "We decide, You own"<sup>1</sup>, was an outcome of that interest. It drew together experience and analysis of civil society engagement in national consultations. This work has highlighted a number of areas of very particular concern in terms of the consultation to date. These concerns find strong resonance in discussions taking place during these days at the World Social Forum in Nairobi.

In relation to the DCI draft CSPs, we find it particularly worrying that there appears to be no evidence of the consultation process, required under the DCI. Where CSPs make mention of such processes, in most cases information regarding dates and place is lacking. No report of any such meetings has been made public so far. We sincerely hope that the DCI Committee will address this issue in its deliberations with the Commission. The draft CSPs should include information that would set out (i) where and when these meetings were held, (ii) the participants of the meeting, as well as (iii) the report of the meeting.

It is against this backdrop that our attention is turned to the consultation process amongst the EU institutions themselves. We understand that a total of 33 draft CSPs are under review by Member States and Parliament, and that opinion is sought from all parties with a view to their adoption in early March. We anticipate that this review process and the issues to emerge from it will be addressed with

<sup>1</sup> Available at [http://www.eurostep.org/wcm/index.php?option=com\\_content&task=view&id=89&Itemid=0](http://www.eurostep.org/wcm/index.php?option=com_content&task=view&id=89&Itemid=0)

*Eurostep is a member of CONCORD*

Eurostep A.I.S.B.L. 115 Rue Stévin, 1000 Brussels, Belgium  
Tel. +32 2 231 16 59 Fax. +32 2 230 37 80  
E-mail: [admin@eurostep.org](mailto:admin@eurostep.org) Web: [www.eurostep.org](http://www.eurostep.org)

reference to the principles of the DCI<sup>2</sup> as well as those working practices agreed in relation its implementation<sup>3</sup>. There should be no ambiguity as to the importance of the Member States' consideration of concerns which may be raised in the coming month.

The draft CSPs, which are going through the silent procedure at present, appear to have a number of serious technical problems, on which grounds approval could not be justified at this stage. The following issues appear most clearly:

I. Draft CSPs without budgets:

- A significant number of the draft CSPs do not yet include a 'budget' but only an indicative range of proportional percentages. These CSPs give no clarity in terms of the budget in absolute figures. These could not possibly be approved at this stage without a budget. This concerns the CSPs of: Bhutan, India, Bangladesh and Cambodia, Vietnam, Philippines, Indonesia.
- Many of the remaining draft CSPs do not include budgets but percentages, which are only indicative. In some this is justified on the grounds that no total allocation to the country has been approved and hence a budget could not be included.

II. Missing DAC codes:

- While some CSPs include DAC codes related to the purpose of the activity, bringing these in line to the DCI, others do not. All DCI CSPs should be amended to include this essential information. The Committee should request that all draft CSPs include the expected DAC code for the purpose of each activity, in line with CSPs which provide these already, such as those of Argentina, Uruguay and Paraguay.

III. Non ODA activity:

- A number of CSPs include activities which are clearly beyond the realm of the DCI. The draft CSP for Malaysia includes a counterterrorism strategy and is ambivalent in terms of its focus on poverty-eradication. The drafts for Colombia, Indonesia and Pakistan all include references to counterterrorism which must be clarified.

IV. Clarification:

- In some cases, internal inconsistency between the CSP and NIP is evident. In the case of Cambodia for example, its draft CSP states that the situation in relation to HIV/Aids is critical and threatens to undermine the development efforts of the country. Its NIP in contrast is entirely lacking of any strategy to address this issue.

---

<sup>2</sup> REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a financing instrument for development cooperation - Article 3 'General Principles'

<sup>3</sup> GENERAL SECRETARIAT OF THE COUNCIL, NOTE, for the Members of the Working Party on Development Cooperation, DOC. n° 152/1/06 REV 1 ADD 1 DEVGEN, Brussels, 29 September 2006.

The tacit approval by the DCI Committee of the draft CSPs through the silent procedure would seriously undermine the credibility of the new DCI Committee. We trust that the Member States will take the responsibility, assigned to them, to ensure that the CSPs approved are in line with the DCI and are of a quality that reflects proper democratic scrutiny and sets a high standard of public administration.

The level of cooperation enabled through the DCI presents challenges but also opportunities as never before. We trust that these new arrangements for consultation and consideration will lead to a new generation of CSPs which are all the more effective as a result of sound democratic scrutiny by all parties involved.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Simon Stocker', with a stylized flourish at the end.

Simon Stocker  
Director



Brussels, 22 January 2007

Dear Mr./Mrs.,

I am writing to you with a sense of great urgency to express our concerns with regard to the DCI Country Strategy Papers for Asia and Latin America, which are currently under review by Member States and Parliament, with a view to their adoption in early March 2007.

The DCI clearly states under article 5 that “Community assistance to **Latin America, Asia**, Central Asia, the Middle East as well as South Africa shall include actions to “increase access to and provision of health services for lower income population groups and marginalized groups, including women and children, persons belonging to groups subject to ethnic, religious or any other discrimination and persons with disabilities with a central focus on the related Millennium Development Goals, namely reducing child mortality, improving maternal and child health and sexual and reproductive health and rights as set out in the ICPD Cairo Agenda, addressing poverty diseases, **in particular HIV/AIDS, Tuberculosis and Malaria.**”

In **Asia**, an estimated 8.6 million people were living with HIV in 2006, including the 960 000 people who became newly infected in that year. Approximately 630 000 died from AIDS-related illnesses in 2006. India, for example, has the largest number of people living with HIV in the world, currently estimated to be 5.7 million people. Cambodia remains the country most affected by HIV/AIDS in Asia, with a national prevalence of approximately 2.6%.<sup>1</sup> Injecting drug use and unsafe sex, particularly among young people, are so widespread in Asia that even countries with currently low infection rates could see the epidemic soar.

Two thirds of the estimated 1.7 million people living with HIV in **Latin America** reside in the four largest countries: Argentina, Brazil, Colombia, and Mexico. However, estimated HIV prevalence is highest in the smaller countries of Central America where it was just under 1% in El Salvador, Guatemala, and Panama, 1.5% in Honduras and 2.5% in Belize in 2005. HIV transmission is occurring in the context of factors common to most of Latin America: widespread poverty and migration and rampant homophobia.<sup>2</sup> Even though in most countries in Latin America, HIV is still primarily a concentrated epidemic, it is gradually moving out into the general population, and to women in particular.

---

<sup>1</sup> AIDS Epidemic Update, December 2006, UNAIDS, World Health Organization

<sup>2</sup> AIDS Epidemic Update, December 2006, UNAIDS, World Health Organization

Given this reality, we are extremely surprised to see that HIV/AIDS is not included as a priority in any of the draft CSPs and NIPs for Asia and Latin America for 2007-2103. Even if, in the case of Cambodia, its draft CSP states that the situation in relation to HIV/AIDS is critical and threatens to undermine the development efforts of the country, its NIP is entirely lacking of any strategy to address the issues.

The European Commission made a strong commitment to the fight against HIV/AIDS in all its partner developing countries through the European Programme for Action to Confront HIV/AIDS, Malaria and Tuberculosis through External Action, which was adopted in April 2005. The Programme for Action states that "country strategy programmes will define an appropriate strategy and set of actions."

The draft CSPs for Asia and Latin America now under consideration for 2007-2013 do not reflect the priorities of the set of actions agreed in the European Programme for Action. The DCI Committee should clarify with the Commission why this is the case, and seek understanding as to whether the Commission is giving sufficient priority to the implementation of the Programme of Action.

We trust that the Member States will take the responsibility, assigned to them, to ensure that the approved CSPs reflect the commitments made on HIV/AIDS in the DCI and the Programme for Action, as the basis for a continued, strong and desperately needed EU response and action to confront the epidemic in Asia and Latin America.

Yours sincerely,

Marielle Hart

Head of EU Policy

Stop AIDS Alliance





**Wednesday, 17 January 2007**

## **DEVELOPMENT: EURO-PARLIAMENTARIANS SCRUTINISE EU AID**

by David Cronin

BRUSSELS (IPS) - The European Parliament is insisting that EU-financed development aid should be held under greater scrutiny than it has been until now.

With this in view, the Parliament's development committee has begun analysing a series of country strategy papers on the expenditure of EU aid. The papers were drawn up by the EU's executive arm, the European Commission, which has said that it wishes to promote the idea that countries receiving EU aid have "ownership" of it.

Although the 2000 Cotonou agreement, underpinning relations between the EU and the African, Caribbean and Pacific (ACP) bloc, places a legal obligation on the Commission to consult with non-governmental organisations, Dutch Socialist MEP Max van den Berg said the Commission has had "very little success" in complying with it.

"Unless countermeasures are taken, this will result in a serious lack of ownership of country strategy papers on the part of our partner countries," van den Berg, vice-chairman of the development committee said.

Eurostep, a network of European development NGOs, last year published four case studies on the European Development Fund (EDF).

The studies found that in all four countries -- Zambia, Benin, Cameroon and Burundi -- there had been little or no consultation with NGOs when programmes for the fund were being devised in 2002. The fund allocated 13.5 billion euros to the ACP for 2003-07

"If you want any real reflection of the idea that developing countries have ownership of EU-funded programmes, then there clearly needs to be a process of consultation with those who are involved in development," said Simon Stocker, director of Eurostep.

"Nobody wants to suggest that civil society should take over the roles of governments or parliaments but clearly they have a valuable role to play," he told IPS.

However, the European Commissioner for Development Louis Michel says that "progress has been made" in ensuring that NGOs are consulted.

"While there will always be room for improvement in promoting participatory approaches, the Commission is globally satisfied that non-state actors are gradually becoming involved in and consulted on development strategies," says Michel.

While most of the focus on consultation issues has been on the ACP bloc, the European Parliament is also seeking greater scrutiny of EU aid to Asia and Latin America.

Both NGOs and the development committee have been pressing for aid for countries officially recognised as developing to have the eradication of poverty as their primary goal and that this should not be subsumed by other policy objectives relating to trade or security.

Mikaela Gavas, a specialist on EU aid with the British Overseas NGOs for Development (BOND) network, expressed concern that strategy papers for several countries have sought to have anti-terrorism and other security measures financed under development aid provisions.

The countries covered include India, Pakistan, Indonesia, Malaysia, Colombia, and the entire

Central America and Central Asia regions.

"Clearly, the activities concerned do not fit with the eligibility for official development assistance," said Gavas, referring to criteria for aid drawn up by the Organisation for Economic Cooperation and Development.

-----

This is the first in a series of articles on the European Commission's country strategy papers on EU development aid.

(END)

## **[Comment] EU aid masks big bully tactics in developing world**

19.01.2007 - 09:32 CET | By Florent Sebban

EUOBSERVER / COMMENT - When rich nations impose an agenda tailor-made for their own interests on poorer ones, there is only one word that aptly describes their tactics: bullying.

One of the topics addressed at this year's World Social Forum in Nairobi (20-25 January) will be how the European Commission resorts to bullying in its relations with developing countries.

In public relations exercises, the EU institutions like to portray themselves as best friends of the poor. On a superficial level, this looks like an accurate depiction. At €46 billion per year - €6 billion of which is channeled through the Commission - the EU is the world's biggest donor of official development assistance (ODA). Thanks to decisions taken in 2005, the Union is scheduled to provide 66% of all ODA by 2010, with the Commission handling twice as much aid as the World Bank.

But if you delve beneath the spin, the reality is that the Commission can be the kind of friend who twists the arms and pulls the ears of developing countries until they accept exactly what the Brussels bureaucracy wants. This is despite how Louis Michel and Benita Ferrero Waldner, the commissioners for development and external relations, repeatedly refer to recipients of EU aid as their "partners" and insist that they have "ownership" of EU-financed projects.

Earlier this month, the European Parliament began examining a series of country strategy papers drawn up by the Commission for spending aid in its "partners" over the 2007-13 period.

In theory, these were drafted following extensive consultations with governments, parliaments and non-governmental organisations (NGOs) in recipient countries.

### **What about health and education?**

However, there are several examples to illustrate how the Commission ignored the views of those consulted. Perhaps worst of all, it has been known to overrule calls for health and education to be prioritised in the expenditure of EU aid, even though these are of fundamental importance for attaining the UN's Millennium Development Goals of dramatically reducing extreme poverty by 2015.

In November, Jamaica's then Ambassador to the EU Evadne Coye gave a detailed account of the consultation which occurred when the strategy paper for her country was being prepared.

Coye said that one issue that was raised by the Jamaican participants in all consultations was that education had to be a top priority, with the emphasis placed particularly on primary schooling, the training of the teachers and addressing children with special needs.

Yet Coye said that the Commission then told her government that education must only be a component in one of two central themes for the strategy paper. As a result, education would be subsumed as part of a general area called 'governance'; the second focal area would be known as competitiveness, and would be geared towards supporting Jamaica adapt to the Economic Partnership Agreements which the Commission is negotiating with countries in the African, Caribbean and Pacific (ACP) bloc.

While the Commission is correct to demand that there should be good governance and a crackdown on corruption in developing countries, it is taking a narrow view of what 'governance' entails. Surely, meeting the basic health and literacy needs of a population is a prerequisite for good governance and should be central to the EU's development aid activities.

### **Promoting Western firms' interests**

In Nairobi, Eurostep, a network of European NGOs, will be presenting a series of case studies on EU aid to Africa. These illustrate how the Commission has promoted the narrow interests of Western firms, rather than those of Africa's poorest citizens. A strategy paper for Burundi, for example, overlooks a national pledge of guaranteeing free primary schooling to all children. Meanwhile, in Cameroon, the Commission has decided to make a totally inappropriate use of development assistance by diverting part of it to promoting trade.

Peter Mandelson, the trade commissioner, unveiled an "external competitiveness" strategy for Europe in October. "European companies must be enabled to gain access to, and to operate securely, in world markets," he said. "That is our agenda."

During recent contacts with the Pacific region, high-ranking Commission officials made it clear that the region's governments will only receive additional aid if they sign Economic Partnership Agreements (EPAs) with the Union.

These accords would severely limit the ability of ACP countries to choose the development model they deem necessary for their own people and economies. Last month, a grouping of anti-poverty activists known as the Africa Trade Network said that the conduct of the EPA talks so far reinforced concerns that their aim is to deregulate developing countries in favour of European investors and that the Commission has rejected all studies on the potential effects of the accords "whose outcomes it does not like".

Before they next trumpet their commitment to ending poverty, the European Commission and EU governments should examine the criticisms directed towards them in Nairobi. If they analyse these seriously, they might just realise that friends to the poor should not behave as bullies.

*Florent Sebban, a policy adviser with Eurostep, a network of organisations specialising in EU-financed development cooperation, is currently participating in the World Social Forum.*



**Tuesday, 23 January 2007**

## **EUROPE: 'AID DEVELOPMENT, NOT WAR ON TERRORISM'**

**by Jaya Ramachandran**

BRUSSELS (IPS) - A network of European non-governmental organisations has criticised the European Union's plans to use development aid to finance anti-terrorist activities.

The 27-nation bloc's intention not to shy away from deploying official development assistance (ODA) to counter terrorism is reflected in a new series of 33 country strategy papers, according to Eurostep based in Brussels.

Eurostep -- a network of 16 European non-governmental organisations (NGOs) working in some 100 countries worldwide on development issues -- has scrutinized the strategy papers drafted by EU's executive arm, the European Commission.

The documents contain several provisions on funding objectives with a security dimension, says Eurostep. But such funding does not meet the eligibility criteria for ODA set by the Organisation for Economic Cooperation and Development (OECD) in Paris.

Diverting ODA to back anti-terrorist activities would also run counter to the 'make poverty history' agenda to which EU policy-makers pledged support during 2005, the NGOs network says in a briefing note.

"That agenda made clear that EU aid must be used for purposes with the aim of improving the conditions of the world's poorest people and not be diverted to projects designed to further Europe's own economic or strategic interests," says the note.

Eurostep director Simon Stocker said the paper on Malaysia was "especially troubling", as it recommends that terrorism and migration issues should be financed as part of a trade and investment package.

A related 'national indicative programme' says that all of the 8 million euro worth of EU aid allocated to Malaysia in 2007-10 should go for trade and investment. But it does not state what proportion of this would be used to fight terrorism or managing migration.

"Using development aid as part of the war on terrorism is completely unacceptable in the first instance," Stocker said. "What's even worse is that the Commission is prepared to advocate this misappropriation and then not give any details on how it plans to use the money," he added.

The strategy papers for Colombia, Pakistan and Indonesia also contain references to financing anti-terrorism measures. In a letter sent this week to the Commission and

the 27 EU member governments, Eurostep argued that greater clarity on the nature and purposes of these measures must be provided.

The European Parliament has previously decided to take legal action against such a diversion of EU aid. In 2005, it referred to the European Court of Justice a decision by EU governments and the Commission to use 5 million euro aid to the Philippines for a project designed to help the Manila authorities comply with a UN Security Council resolution responding to the September 11, 2001 attacks.

Legal experts advising Euro-parliamentarians (MEPs) said it was "beyond doubt" that anti-terrorism activities "cannot be considered to fall within the scope" of the regulation covering EU aid to Asia and Latin America.

The country strategy papers will be discussed at a meeting of EU diplomats next Monday (Jan. 29).

Eurostep has identified several other shortcomings in the papers, which it believes must be remedied before they are approved by governments or MEPs.

The shortcomings include:

- Several papers -- on Bhutan, India, Bangladesh, Cambodia and Vietnam -- do not include any figures on how much aid should be earmarked for different sectors.
- The papers frequently fail to show how aid will fulfil criteria on official development assistance, even though the provision of such information is mandatory under the EU's new development cooperation instrument.
- The paper on Cambodia states that HIV/AIDS threatens to undermine the country's development efforts but the related national indicative programme lacks any strategy for addressing the issue.

-----

Read also DEVELOPMENT: EURO-PARLIAMENTARIANS SCRUTINISE EU AID ([http://www.ipsonline.eu/issues/170107\\_id0071.htm](http://www.ipsonline.eu/issues/170107_id0071.htm)) (END)

**Extract from letter of Commissioners Ferrero-Waldner and Michel  
to the European Parliament on the procedure for adopting the DCI  
CSPs (15 January 2007)**

“According to the calendar which has been established, it is envisaged that the Commission will adopt the strategies which have already been transmitted to Parliament and the member States on or soon after 2 March, subject to a favourable opinion from the member states and provided the one month period which Parliament has under the comitology arrangements for examination of measures adopted under co-decided instruments has expired. Parliament is therefore requested to provide its consolidated position on the strategies by the end of February. In the event that the opinion of the Committee of the member states on one or more strategies is notified to Parliament after the end of January, Parliament should provide its consolidated position on each of those strategies within one month of the date of the notification.”