



EU aid to Africa falling – new report

Poor countries may receive €50 billion less than promised in EU aid if the quality of the Union's development assistance is not improved, a new study has concluded.

At a meeting this week (15 May), EU development ministers are expected to state that commitments on boosting aid made by their governments over the past few years are being honoured.

But non-governmental organisations (NGOs) contend that statistics on aid have been inflated to give a false picture.

The European NGO Confederation for Relief and Development (CONCORD) has estimated that nearly 30% of the €47.5 billion that the EU reportedly gave in development aid last year was not genuine. About €13.5 billion of that sum went in debt cancellation and in helping refugees and foreign students, a CONCORD report says.

In 2005, the EU's governments agreed to spend €20 billion more in development aid by 2010 than they did at the time, with half the increase going to Africa. Yet CONCORD has calculated that real aid to Africa has fallen. In 2004, Africa received 41% of EU aid, excluding debt cancellation. This fell to 37% the following year.

If current trends continue, poor countries could get €50 billion less than had been promised by 2010, the report says. Justin Kilcullen, President of CONCORD and head of the Irish organisation Trocaire, said that €50 billion could make a major difference in providing clean water to the poor.

While CONCORD is in favour of debt cancellation, it maintains that it is misleading to count it as official development assistance.

Iraq and Nigeria were reported as the two main beneficiaries of debt cancellation in 2006. Yet Lucy Hayes from the European Network on Debt and Development (Eurodad) pointed out that most of the debt cancelled in Nigeria was export credit debt, incurred while funding projects designed to promote western business. "This isn't money that is going 5,000 kilometres from Europe to Africa," she said. "It is moving 500 metres from the ministry of foreign affairs or development to the treasury."

Sources:

www.concordeurope.org
www.eurodad.org
www.ipsterraviva.net

Berlin bids for end of Wolfowitz dispute

Germany, currently chairing both the EU and G8, wants the dispute over a conflict of interest involving World Bank President Paul Wolfowitz to be resolved this week.

Wolfowitz is to appear before the Bank's governing board on Tuesday (15 May), following an internal probe into whether he broke the institution's code of conduct by demanding a pay rise for his girlfriend, fellow Bank employee Shaha

Riza. A panel of executives of the World Bank rued ahead of the Board meeting that Wolfowitz broke Bank rules and violated his contract.

European governments represented on the board are keen that the almost six-week-old controversy over the promotion should be brought to a halt. Germany, in particular, has signalled that it wishes to see the matter settled before G8 finance ministers gather in Potsdam in Friday for a meeting that Wolfowitz is slated to attend.

Nonetheless, European governments differ on whether the controversy should end the process whereby the president of the World Bank is appointed by the US and the head of the International Monetary Fund (IMF) by the EU. Hilary Benn, the British secretary of state for international development has said that "picking the heads of the World Bank and the IMF based on nationality should end" but the Dutch Finance Minister Wouter Bos said that The Hague has "*a problem with the President, not the procedure*" for selecting him.

Sources:

www.ft.com

www.brettonwoodsproject.org

www.worldbankpresident.org

Plan for new treaty in June

The outline of a new treaty to replace the EU's ill-fated constitution could be agreed next month, the German Presidency of the Union has indicated.

Chancellor Angela Merkel is hoping that the June summit of EU leaders will result in an accord about the main points of the treaty. Technical details would then be sorted out by representatives of the EU's 27 governments during the second half of the year, when the EU presidency will be held by Portugal.

Merkel discussed a strategy for resolving the EU's constitutional difficulties with the Portuguese premier José Socrates and his Slovenian counterpart Janez Jansa, whose country will hold the Presidency in 2008, at a meeting in Sintra, Portugal, last weekend.

Following the rejection of the constitution by French and Dutch voters in 2005, several EU leaders are keen to avoid having referenda on the Union's treaties.

Jansa acknowledged that Ireland and Denmark are expected to hold referenda, in line with precedents that have been set at domestic level, but he said that he hoped Britain and the Netherlands will not put a new treaty to a popular vote. "It's obvious we have to avoid referenda," Jansa told The Financial Times, adding that he wants the June summit to agree a "*very precise definition*" of the new treaty.

José Socrates has indicated that if there is no substantial progress by June the question of changes to the Treaties will be put on hold during the Portuguese Presidency.

Sources:

www.ft.com

www.euobserver.com

African states may resist pressure on trade

Eastern and Southern African countries may resist pressure to sign a free trade deal with the EU by the end of this year, it has emerged.

Moses Tekere, an adviser to the 15 Eastern and Southern African governments negotiating an Economic Partnership Agreement (EPA) with the Union, said he believed that free trade talks will continue into 2008.

"We are committed to negotiating a viable EPA that takes our interests into account," Tekere said. "We are not in a race to finish at all costs."

The European Commission has said, however, that the talks should be concluded by 31 December, the expiry date for a waiver from World Trade

Organisation rules for the current trade regime between the EU and the African, Caribbean and Pacific bloc.

Meanwhile, Spain has warned it could refuse to accept the series of EPAs being negotiated with different ACP regions unless it shields its banana producers from a surge in imports of the fruit.

While the Commission has offered complete market access for all ACP products, bar sugar and rice, Spain said that the banana must be recognised as a "vital product for the economy of peripheral regions" such as the Canary Islands.

A Spanish submission on bananas is to be discussed by EU development ministers this week.

Sources:

www.epa2007.org

www.citizen.co.za

www.ft.com

EU strategy on Cuba in trouble

Sharp differences have emerged between EU governments on how it should handle its relations with Cuba.

Germany's EU Presidency had hoped that the Union's foreign ministers will approve a new strategy on Cuba next month but it now appears that this will be placed on the back burner.

Spain, on the one hand, has been leading calls for the EU to develop closer ties with the Havana authorities, so that it can ensure a peaceful transition once its ailing leader Fidel Castro dies or relinquishes power.

But the Czech Republic has been leading a rival camp of EU governments who contend that the Union should instead be supporting opponents of Castro.

The Czech group People in Need has accused Spain of being more eager to further the interests of its firm Repsol YPF, which is bidding for oil contacts in Cuba, than in promoting human rights.

Sources:

www.euobserver.com

www.clovekvtisni.cz

Presidency Fund launches fourth call for proposals

The Presidency Fund launched its fourth call for proposals on 14 May. Proposals are invited from NGOs from countries that joined the European Union in 2004. The aim of the Fund is to support initiatives that strengthen capacity of civil society actors to engage in the dialogue on EU development policy.

Since the Fund was established in 2005 it has agreed to support 19 proposals.

Organisations that wish to seek support from the Fund can find information on how to apply on the Presidency Fund website. Initial indications of interest providing an outline of the project need to be submitted by 31 July. The deadline for detailed proposals is the end of September.

The Fund is supported by grants from the Dutch and Irish governments.

Sources:

www.presidencyfund.org

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