



Procedure file

Basic information		
INI - Own-initiative procedure	2007/2138(INI)	Procedure completed
Programming implementation of the 10th European Development Fund		
Subject 6.30.03 European Development Fund (EDF)		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	DEVE Development		06/11/2006
		PSE CARLOTTI Marie-Arlette	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs		05/06/2007
		Vers/ALE BEER Angelika	
Council of the European Union	BUDG Budgets		17/07/2007
		PPE-DE BÖGE Reimer	
	Council configuration	Meeting	Date
European Commission	General Affairs	2850	18/02/2008
	Commission DG Development	Commissioner MICHEL Louis	

Key events			
21/06/2007	Committee referral announced in Parliament		
29/01/2008	Vote in committee		Summary
21/02/2008	Committee report tabled for plenary	A6-0042/2008	
22/04/2008	Debate in Parliament		
23/04/2008	Results of vote in Parliament		
23/04/2008	Decision by Parliament	T6-0171/2008	Summary
23/04/2008	End of procedure in Parliament		

Technical information	
Procedure reference	2007/2138(INI)

Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/6/50530

Documentation gateway

Committee opinion	AFET	PE390.723	28/11/2007	EP	
Committee draft report		PE398.480	07/12/2007	EP	
Amendments tabled in committee		PE400.388	11/01/2008	EP	
Committee opinion	BUDG	PE402.509	07/02/2008	EP	
Committee report tabled for plenary, single reading		A6-0042/2008	21/02/2008	EP	
Text adopted by Parliament, single reading		T6-0171/2008	23/04/2008	EP	Summary
Commission response to text adopted in plenary		SP(2008)3169	28/05/2008	EC	
Commission response to text adopted in plenary		SP(2008)3407/2	25/06/2008	EC	

Programming implementation of the 10th European Development Fund

The Committee on Development unanimously adopted an own-initiative report by Marie-Arlette CARLOTTI (PES, FR) on the programming of the 10th European Development Fund (EDF). The committee regrets, as it has on many occasions, the lack of budgetisation of this fund, and the subsequent lack of democratic scrutiny of the EDF on the parliament's behalf, due to its lack of inclusion in the EU budget. Members call on the Council to provide for the budgetisation of the EDF in the context of the mid-term review of the financial perspectives in 2009.

The committee also recalls that the main challenges and objectives of the EDF, as indicated in Regulation (EC) No 617/2007 relating to the implementation of the 10th EDF, must focus primarily on the eradication of poverty and the realisation of the Millennium Development Goals (MDGs). However, although these objectives are laudable they are not always put into practice by means of the Community instruments (particularly in Country and Regional Strategy Papers). More attention must also be given to the outflow of skilled labour from the ACP countries to the EU and to the appropriate measures needed to avoid this situation.

Amongst other issues addressed in the own-initiative report, the following points are highlighted:

- **Timeframe:** the Member States and the ACP countries are invited to ratify the Internal Agreement and the revised Cotonou Agreement, so as to begin the implementation of the 10th EDF as soon as possible. Since all the 9th EDF funds must be committed before 31 December 2007 at the latest, Members call on the Commission to take all appropriate measures to ensure that no appropriation is affected by the sunset clause;
- **Strategy papers and priority action areas:** once again, Members emphasise that priority should be given to actions aimed at reducing poverty and strengthening public health and basic education. They stress that the commitment, within the framework of the European instrument for development cooperation (DCI), to devote 20% of funds to health and basic education by 2009 should also apply to the EDF. However, to date, no global strategy has been drawn up by the Commission in order to include these sectors in the priorities of national strategy papers. Therefore, MEPs call for this issue to be reassessed in the context of the mid-term review of the financial perspectives. They also call for EDF actions to be carried out through a process of sustainable development and environmental preservation. So that sustainable development is truly sustainable, priority must also be given to building democracies that are stable and respectful of human rights. MEPs also consider that national strategy papers should be subject to democratic scrutiny by MEPs, even though Regulation (EC) No 617/2007 makes no explicit provision for such consultation;
- **Gender dimension:** Members regret the fact that the gender dimension has not been included as a specific area of action and call for this decision to be reconsidered in the context of the mid-term review of the EDF. In addition, they request that gender issues be included among the political priorities of the ACP-EU partnership;
- **Budgetary support:** recalling the benefits of budgetary support for the eradication of poverty and the achievement of the MDGs, Members request that countries which receive this type of aid rigorously respect the principles of good governance and management of public finances, and that this aid is duly scrutinised by a democratically elected parliament in the beneficiary countries. Moreover, they call for budgetary support to be regularly assessed on the basis of reliable and transparent indicators;
- **Aid for trade and EPAs:** recalling that the EU has undertaken to allocate EUR 2 billion per year of aid for trade, MEPs call on the Commission and the Council to report on the current situation as regards commitments by the Member States and the EU in this area. They insist that funding from integrated regional programmes (IRP) should benefit all ACP countries equitably, that is, that no form of conditionality linked to participation in an EPA (Economic Partnership Agreement) be applied to the allocation of IRP funds;
- **Participation and evaluation of EDF:** Members stress that the a posteriori examination of the EDF discharge is inadequate.

Consequently, they call for real democratic scrutiny of this fund, with the support of national parliaments, local governments and non-state actors (NSAs). They reiterate their support for a percentage of EDF funding to be allocated to the education and political training of parliamentary representatives and political, business and community leaders in developing countries, to enable them to duly carry out their democratic scrutiny. MEPs also request to be consulted in 2010 on the mid-term review of the implementation of the EDF. The effectiveness of aid shall also form the subject of a periodic report, to be submitted to the European Parliament;

- African Peace Facility: Members strongly support the introduction of an African Peace Facility and call for the operating rules for that instrument to reflect a more intensive political partnership between the EU and the African Union. However, they regret the fact that the peace facility is financed by the EDF and call for an alternative means of funding;
- Co-financing and consistency with other instruments: lastly, Members approve the possibility, created by the programming of the 10th EDF, to co-finance development projects with Member States or other financial backers. They recommend that this possibility be made available to other EU financial instruments and reiterate their desire for a new pan-African financial package to be established, funded by the EDF, the specific DCI instruments and the European neighbourhood policy instrument, with a view to financing the new EU-Africa Joint Strategy.

Programming implementation of the 10th European Development Fund

The European Parliament adopted, by 637 votes to 23, with 14 abstentions a resolution on the programming of the 10th European Development Fund (EDF). The own-initiative report was tabled for consideration in plenary by Marie-Arlette CARLOTTI (PES, FR) on behalf of the Committee on Development.

Parliament 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. It calls on the Council to provide for the budgetisation of the EDF in the context of the mid-term review of the financial perspectives in 2009.

Challenges and objectives: Parliament fully endorses the primary objective of co-operation laid down in Article 1 of Regulation (EC) No 617/2007, namely the eradication of poverty and the realisation of the Millennium Development Goals. It attaches the utmost importance to ensuring that these priority objectives are put into practice by means of all the implementing instruments 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. The EDF must be implemented in accordance with the 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) of the OECD. Article 2(3) of Regulation (EC) No 617/2007 must be amended accordingly.

Timeframe: since all the 9th EDF funds must be committed before 31 December 2007 at the latest, Members call on the Commission to take all appropriate measures to ensure that no appropriation is affected by the sunset clause and that continuity of funding is guaranteed.

Strategy papers and priority action areas: Parliament 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. It 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. This issue must be reassessed to attain the 20% objective. Parliament 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, and calls on the Council and the Commission to include such consultations in the programming.

Budgetary support: recalling that the legitimacy of budgetary support is conditional upon strict respect for a number of prior conditions including good governance and a system for the management of public finances scrutinised by a democratically elected parliament in the beneficiary countries, Parliament calls on the Commission to ensure that these prior conditions are rigorously complied with before initiating any budgetary support programme.

Incentive tranche: Parliament 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. It recommends that criteria relating to the existence and quality of public services should be added to governance profiles, pointing 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.

EPAs: Parliament 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. It protests against all forms of conditionality linked to participation in an EPA in the allocation of integrated regional programme funds.

Participation and evaluation of EDF: Parliament 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 an institutional role relating to the entire process of monitoring and assessing the programming. It deplores the particularly vague and ambiguous wording of the rules laying down the role of the players in the programming of Community aid (Article 2(3) of Regulation (EC) No 617/2007). It 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.

Co-financing and consistency with other instruments: Parliament approves the possibility, created by the programming of the 10th EDF, to co-finance development projects with Member States or other financial backers. It 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 the new EU-Africa Joint Strategy.