



**COUNCIL OF THE
EUROPEAN UNION**

Brussels, 23 November 2009

16518/09

**PE 352
DEVGEN 341**

NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Summary of the meeting of the Committee on Development, held in Brussels on
9 and 10 November 2009

1. Adoption of agenda

The items concerning EU action to mitigate and prevent sexual violence in third countries and presentation of a preliminary report from a fact-finding mission to Bangladesh were withdrawn.

2. Approval of minutes

The minutes of the meeting of 19 October 2009 were approved (PV – PE430.401v01-00).

3. Question Time

The question by Mr T. Berman (S-D, NL) is in Annex I.

In reply to the question, the Commission representative confirmed that non-ratification of the revised Cotonou Agreement by Sudan prevented the European Community from implementing bilateral development cooperation under the Tenth European Development Fund (EDF) in Sudan and that it would not be able to disburse the EUR 300 million pledged at the May 2008 Sudan Consortium for the period 2008-2013. He pointed out, however, that development assistance under

the Ninth EDF remained unaffected. The EC was also looking into possibilities of funding through other instruments such as the Instrument for Stability and the European Instrument for Democracy and Human Rights. He referred to possibilities under special conditions of thematic programmes under the Instrument for Development Cooperation. Humanitarian assistance would continue if necessary. The Commission has started discussions with Member States on the issue of avoiding any damaging reduction in support to the populations of Sudan. It has also made the first assessment of the impact in different sectors (agriculture and education) on the ground.

4. Exchange of views with Philippe Maystadt, President of the European Investment Bank

Mr P. Maystadt, President of the European Investment Bank, briefly informed the Members about the bank's activities relating to technical assistance and funding projects outside the EU. He explained to Members that the EIB could intervene outside the EU when it was given a mandate by an international treaty or by a Council decision. Such a decision was taken in December 2006. The European Parliament appealed against it to the European Court of Justice. According to the Parliament the decision should be based on Art. 179 of the TEC, because of the development aspects, which required the codecision procedure. Mr Maystadt added that if the EIB was given a role in other regions of the world, it should be allocated adequate resources and staff.

During the exchange of views Members were interested in particular in what more the EIB could do for developing countries. They referred inter alia to possibilities of lending at lower rates (Mr N. Deva (ECR, UK)), access to credit and guarantees for loans (Mr T. Berman (S-D, NL)), loans for the private sector and micro-financing (Mr C. Goerens (ALDE, LU)). Mr Cashman (S-D, UK) asked about the role of the EIB in insurance. Attention was drawn to China's loans for developing countries (Mr Cashman and Ms G. Zimmer (GUE/NGL, DE)). Ms E. Joly (Greens/EFA, FR) referred to the EIB's profits. She and Ms F. Keller (Greens/EFA, DE) were interested in transparency issues and the policy of the EIB regarding tax havens. Ms Keller questioned the EIB's focus on non-renewable energy.

In reply to the question as to what more the EIB could do for developing countries, Mr Maystadt pointed out that the EIB could act within its mandate, where the EU budgetary guarantees applied or through financing facilities at its own risk which required a unanimous decision of 27 members.

On micro-financing he gave an example of guarantees to Senegalese banks. He explained that conditions set by the EIB were linked to the projects themselves. Insurance was outside the scope of the EIB's statute. On transparency, he said that new contracts included an obligation regarding information for beneficiaries. On tax havens, he referred to the revised decisions following the G20 meeting. Mr Maystadt confirmed that there were cases when EIB financing was replaced at the last moment by loans from China under less strict conditions. At the same time he stressed that the EIB was bound by the EU's values, such as environmental and social standards. In response to Ms Keller, he gave an example of projects for electricity based on renewable resources. He explained that the EIB needed to make a profit in order to build up reserves.

5. The consequences of the economic and financial crisis for food security in developing countries - Exchange of views with Mr J. Diouf, Director-General, Food and Agriculture Organization of the United Nations (FAO).

Mr J. Diouf, Director-General, Food and Agriculture Organization, described the current situation in developing countries, where economies were slowing down and the poorest populations suffered the most. He drew attention to low production, natural disasters, food security imbalance and a decrease in aid for farming in these countries (drop of the share of development aid for agriculture). In his opinion structural factors behind the food crisis remained. He highlighted the need to increase aid for farming to ensure sustainable food security. He welcomed the G8 initiative on small-scale farming and expressed optimism about the forthcoming World Food Summit. He also noted that the EU was a key partner for the FAO.

Mr C. Goerens (ADLE, LU) was interested in the role of FAO in influencing food governance, Mr T. Berman (S-D, NL) referred to the reversal of trends in investment in farming in the developing world after a food crisis. Ms E. Joly (Greens/EFA, FR) asked whether there were any guidelines for lease-holders or purchasers of land and any studies on limiting speculation in raw materials/food. Mr Deva raised the issue of shortage of water.

In reply Mr J. Diouf spoke about difficulties in influencing food governance and referred to various stakeholders, such as partners in financing farming, stakeholders in trade and customs duties, and specialised agencies like the International Fund for Agricultural Development providing physical

and financial aid. In this context he mentioned the efforts of the Committee on World Food Security and the need to increase food production due to the growing population. Regarding trends, he hoped for an increase in investments in agriculture. Replying to Ms Joly he referred to the studies being carried out in cooperation with IFAD and the idea of a code of conduct for agricultural investment. The issue of speculation had also been studied. He drew attention to factors influencing the shortage of water and difficulties in water control.

6. Presidential and legislative elections in Mozambique

In the absence of Ms F. Hall, EU Chief Observer of the EU Electoral Observation Mission (EOM), Mr C. D. Preda (EPP, RO), Head of the EP election observation delegation, gave a presentation of the preliminary report from the mission for presidential and legislative elections in Mozambique. He said that the observers had attended a lengthy and complicated counting process. The situation at polling booths was peaceful and well organised. Members of Parliament visited several voting areas and met three presidential candidates.

The elections took place on 28 October 2009. The EU EOM had been present in Mozambique since 22 September, while the EP delegation, composed of seven members, was only there between 26 and 30 October 2009. Some members of the EP delegation disagreed with some aspects of the EU EOM preliminary statement. The final report would be available on 30 November 2009.

Mr N. Deva was interested in how many polling stations the mission had observed.

Mr M. Cashman suggested that the final report on the mission should be discussed by the Committee. Mr F. Kaczmarek (EPP, PL) thought that the media had devoted too much time to the ruling party.

Mr C. D. Preda replied that Members of Parliament visited some sixty polling stations, while other observers visited 782 stations. In his view the ruling party had obtained more media time, but this was proportional to the number of seats.

7. EU Policy Coherence for Development and Official Development Assistance plus concept (ODA+) - Exchange of views with experts.

In the introduction Ms F. Keller, Rapporteur on EU Policy Coherence for Development and the 'Official Development Assistance concept' briefly presented her report (DT– PE430.409v01-00). She was interested in the criteria used by the Commission for defining five priorities and how stakeholders were involved in the process of defining them as well as how the Policy Coherence for Development (PCD) would be implemented and measured. She noted that there were no references to the last European Parliament report.

The representative of the European Commission explained that the Communication was a separate document from the biannual report. The Report on PCD assesses the progress made in advancing coherence in 12 policy areas. The Communication contained two central messages. One was a more proactive approach in five priority challenges covering many policy areas and the second referred to leveraging financial flows to development other than Official Development Assistance. She added that the aim was to gain more political engagement in terms of PCD. She underlined that PCD was an additional instrument and a complex process involving many actors. A work programme would be developed. She briefly referred to particular points raised in the Parliament's report regarding trade, timber, fisheries, finance, intellectual property rights and climate change.

Ms A. Maksimovic from Concord, a European NGO confederation for relief and development, presented the preferred approach of Concord to PCD and commented on the Commission's proposals. She said that coherence was about ensuring that the external impacts of other EU policies did not undermine the aims and objectives of EU development cooperation. She was of the opinion that private financial flows or flows designated to stimulate economic growth did not necessarily have a poverty reduction focus and were less predictable. The politicisation of aid in the future institutional architecture ran the risk of moving away from the EU's poverty eradication commitments.

Mr N. Keijzer from the European Centre for Development Policy Management talked about lessons learned from PCD research, the content of the draft Council conclusions to be adopted at the General Affairs and External Relations Council in November 2009, and the role of the EP Committee on Development in promoting PCD.

In the discussion Members thought that it would be useful to define what exactly was meant by policy coherence (Mr C. Goerens, Ms J. Sargentini (Greens/EFA, NL) and Ms I. Lövin (Greens/EFA, SE)). Mr Goerens thought that partners in developing countries should be consulted on the choice of priorities. Mr T. Berman expressed concerns about the reduction in the number of priorities.

In reply to questions from Members, the representative of the Commission explained how the priority issues were identified. With reference to the Parliament's previous report, she pointed out that issues such as timber and fisheries were addressed in the Commission's 2009 Report. She referred to guidelines on impact study analysis and the section relating to achieving development goals as well as the obligation for the Commission to consult partners that might be involved. As regards measuring coherence, she said that it should be improved and progress indicators developed. She referred to the chapter of the Report regarding assessing the impact of increased PCD against the Millennium Development Goals. She noted the increased needs of developing countries due among other things to the financial and economic crisis.

8. Establishment of a financing instrument for cooperation with industrialised countries (amendment of Regulation (EC) No 1934/2006)

* 2009/0059(CNS) COM(2009)0197 – C7-0101/2009

Drafter: Mr N. Deva AM – PE430.358v01-00 PA – PE428.225v01-00

Responsible: INTA – Mr H. Scholz (GUE/NGL) PR – PE428.224v01-00

The draft opinion, as amended, was adopted.

9. Amendment of the Instrument for Stability

***I 2009/0058(COD) COM(2009)0195 – C7-0042/2009

Drafter: Ms E. Joly PA – PE428.241v01-00

Responsible: AFET – Ms F.K. Brantner (Greens/ALE)

AM – PE430.350v01-00 PR – PE428.290v01-00

The draft opinion, as amended, was adopted.

10. The second revision of the Partnership Agreement ACP-EC (the "Cotonou Agreement") - Consideration of draft report

2009/2165(INI), DT – PE430.375v01-00 PR – PE430.376v01-00

Opinions: INTA – V. Moreira (S-D) PA – PE430.404v01-00

Ms Joly, Rapporteur, invited Members to table amendments by 6 p.m. on 19 November 2009. Some Members made initial comments. Mr H. Désir (S-D, FR) referred to trade and agriculture in point 4 of the report. He said he would like to add topics such as tax havens and human rights. Human rights issues were also important for Mr M. Cashman. Mr C. D. Preda indicated that he might present amendments to the report in relation to points D, 13, 15 and on the role of the civil society.

The representative of the European Commission said that most of the aspects in the report had already been taken into account in the negotiations, apart from the issue of 'land grabbing'. Agriculture would also be part of the discussions. He referred to the proposals regarding governance in fiscal matters. As the Lisbon Treaty comes into force, the non-discrimination clause would need to be introduced accordingly. The Commission would like civil society to have the opportunity to express its views.

11. A financing instrument for development cooperation (amendment of Regulation (EC) No 1905/2006) - Consideration of draft report

PE430.534v02-00 4/5 OJ\PE430534v02-00en.rtf

***I 2009/0060A(COD) COM(2009)0194[01] – C7-0043/2009

PR – PE430.436v01-00

In the draft report Mr G. Mitchell (EPP, IE) called for scrutiny powers of the Parliament. Mr Deva and Mr Berman expressed support for the report. The Parliament's Legal Service agreed with the report proposing the application of the regulatory procedure with scrutiny. After the entry into force of the Lisbon Treaty, 'delegating act' could be applied (Article 290 of the Treaty).

In the view of the Commission representative the Parliament's suggestion seemed problematic.

The Chairperson informed members that the deadline for tabling amendments was 6 p.m. on 11 November 2009.

12. Humanitarian Aid Strategy 2010 - Exchange of views with Peter Zangl, Director General, DG ECHO

Mr P. Zangl, Director General, DG ECHO, underlined the importance of the European Consensus on Humanitarian Aid between three institutions - the Council, the Commission and the Parliament. He described the role of the working group in the Council and presented priorities of the Operational Strategy for 2010.

Some members were interested in the issue of the security of humanitarian aid workers (Mr C. Goerens, Mr E. Guerrero Salom (S-D, ES)), plans for 2010 concerning some specific countries, including Eritrea (Ms M. Striffler, Mr F. Kaczmarek) and the use of funds from the emergency reserve, implications of the Lisbon Treaty for humanitarian aid and plans concerning a review of the Action Plan (Ms M. Striffler).

On the security of aid workers Mr P. Zangl thought there was reason for concern given the number of humanitarian actors being killed. He underlined the independence and neutrality of aid. On the emergency reserve, he said that it was used almost every year. Regarding the Lisbon Treaty, he said that there would be an independent aid policy with mixed competences and that implementation would not change. On Eritrea he said that for the moment it was too dangerous to send aid workers. A review of the Action Plan was scheduled for the first half of 2010.

13. Hearing on the consequences of the economic and financial crisis for developing countries and development cooperation

An introduction to the effects of the crisis on developing countries and the international response was made by Mr M. Plant, International Monetary Fund, Deputy Director in the African Department.

He described the difficult situation in Africa, where many people were being pushed into poverty.

In his opinion African countries were now able to respond better to crises than in the past. He set out the efforts made by the IMF including increased resources available to Africa, easier access and consensual lending.

Ms Traore, Malian author, political activist, former Minister of Culture and Tourism of Mali and former coordinator of the UN Development Programme, spoke about the permanent crises in Africa and the first that the people felt exploited and powerless.

During the discussion members of the Committee expressed sympathy with some of Ms Taore's views (Mr M. Cashman and Mr E. Guerrero Salom). Mr Goerens was interested in practical solutions to budgetary imbalances and social aspirations of people. He also drew attention to the possible role of civil society in the absence of good governance.

In reply, Mr Plant added that macroeconomic stability was not enough to feed people. There was a need for institutions and policies in Africa.

Mr G. Schjelderup from the Norwegian School of Economics and Business Administration gave a presentation on illicit money flows from developing countries. He pointed out that many rulers from poor countries are users of tax havens. He spoke about the negative impact of tax havens inter alia on development, national tax systems, financial markets and efficiency of resource allocation. He also presented some proposals for solutions, such as a convention on transparency and helping countries to develop the revenue side.

Mr R. Baker, Director of Global Financial Integrity, spoke about the global shadow financial system and outflows of money from developing countries. In order to try to curtail these flows, political will would be needed and leadership should come from Europe.

Mr P. de Vasconcelos, Coordinator on remittances from the International Fund for Agricultural Development, gave a presentation on remittances and their importance for developing countries.

14. The effects of the global financial and economic crisis on developing countries and on development cooperation - Exchange of views

2009/2150(INI) COM(2009)0160

Mr E. Guerrero Salom, Rapporteur, stressed that less developed countries suffer more from the crisis than the developed world. He suggested that in this context aid should not decrease and that there was a need to seek new sources of financing in order to meet the increased needs of developing countries.

The intention of the report would not only be to record the effects of the crisis, but rather to encourage the Commission and the Council to take rapid and effective action. The EU should contribute to reforming international governance and developing countries should be included in the discussions.

15. Certain specific restrictive measures directed against certain natural and legal persons, entities and bodies in view of the situation in Somalia - Consideration of draft opinion

* 2009/0114(CNS) COM(2009)0393 – C7-0129/2009

PE430.389v01-00

Responsible: LIBE – Ms M. Striffler

Mr F. Kaczmarek, Rapporteur, briefly presented his report on the draft regulation which would ensure that the EU comply with its commitments to implement targeted sanctions adopted by the United Nations against certain natural and legal persons, entities and bodies, in view of the situation in Somalia. He also pointed out the procedural questions relating to the change of legal base under the Lisbon Treaty.

The representative of the Commission said that under the Lisbon Treaty the legal base for the proposal regarding sanctions should be Article 215. In relation to the Rapporteur's comments on the issue of evaluation, he explained that it was not customary to have an evaluation of such sanctions at EU level. He added that he was not aware of the list of persons at this stage.

Mr Cashman thought that the opinion of the Parliament should be adopted without waiting for the Lisbon Treaty to come into force. The necessary change in the legal base could easily be made. Referring to amendment 2, he suggested that the EP should be informed about the final decision, rather than at each step of the procedure.

Ms Joly, chairperson, announced that the Committee on Civil Liberties, Justice and Home Affairs (LIBE) would take a decision regarding the opinion on 11 November 2009. If the opinion of the Parliament was to be finalised before the end of November, then the deadline for amendments in the Committee for Development (DEVE) would be 11 November 2009 and the vote on 23 November. If LIBE decided in favour of an oral question and a resolution, then the draft opinion of DEVE should be send already on 11 November, accompanied by an explanatory letter.

16. Dates of next meetings

Monday 23 November 2009, 19.00 – 20.30 (Strasbourg)

Wednesday 25 November 2009, 20.00 – 23.00 (Strasbourg)

Thursday 10 December 2009, 09.00 – 12.30 (Brussels)

Question to the European Commission from Thijs Berman DEVE committee 9th of November

IS SUDAN POOR THREATENED BY END OF EDF ASSISTANCE

There are rumours that the European Union (EU) will cut its development funds to Sudan after the Sudanese government failed to ratify the revised Cotonou Agreement. Since Cotonou provides the legal framework for relations between the EC and ACP states, non-ratification by Sudan prevents the EC from implementing bilateral development cooperation in Sudan. This means that the EC will not be able to disburse the €300 million pledged at the May 2008 Sudan Consortium for the period 2008-2013. This also has implications for the eligibility for Sudan to receive funds from the thematic programmes as the legal bases are linked.

- What is the European Commission doing to take a lead to ensure there is no damaging drop in supporting poor populations of Sudan emerging from decades of bloody war?
- Has Commission done an evaluation of the impact of non-eligibility to EDF in Sudan?
- Has Commission done anything with member states / other donors to come up with a plan to mitigate the impact of the cuts especially on the RRP and the MDTF?
- Has the EU delegation in Khartoum / Juba held any meetings with other donors on this?
- Has the EC examined all possibilities of using other aid instruments in a flexible way so that - abrupt closure of programmes such as the RRP can be avoided and essential services to the population can be maintained in cooperation with EC partners such as the UN agencies and non-state actors?.
- Is DCI thematic funding going to be cut off?
- In particular, wouldn't it be possible to use the Stability Instrument to compensate for cuts in programme that are so vital for the implementation of the fragile Comprehensive Peace Agreement?
- Are there any untied funds from previous EDFs that can be used?