

COUNCIL OF THE EUROPEAN UNION

Brussels, 26 April 2013

8984/13

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NOTE

from:	General Secretariat of the Council
to:	Delegations
Subject:	Meeting of the European Parliament's Committee on Development (DEVE) on 22-23 April 2013 - Partial summary record

1. Budget support: conditional results

Presentation of a study by IOB (Policy and Operations Evaluation Department, Ministry of Foreign Affairs, Netherlands)

Joint meeting with the Committee on Budgetary Control

Mr De Kemp from the IOB presented a policy review of budgetary support (BS) in international aid. He noted that the theory of BS was that good policy planning could lead to BS, hence ensuring ownership and more effective poverty reduction strategies. In its application, however, BS had been used to improve policies and give an incentive for change. He argued that despite frequent allegations that BS financed corrupted governments, no evidence of this had been found empirically.

Countries which received BS had a higher reduction of poverty level, and a higher improvement of human development index, thus proving that BS was effective. However, BS was not very effective in bringing about reform if not backed by government.

In the course of the debate that followed, Mr Berman (S&D, NL) and Mr Neuser (S&D, DE) argued that BS as an instrument should be consistent with the human rights based approach of EU international aid, which the report showed to be not always the case. The latter in particular proposed for EU delegations to developing countries to audit the use of BS aid. Mr Geier (S&D, DE) asked whether imposing conditions to aid had proven more beneficial than BS. Mr Moulder (ALDE, NL) considered that BS money was going towards corruption and military expenditures. Ms Sargentini (Greens, NL) noted that BS, just like other sources of aid, always came with conditions and asked how much BS was being used to fund projects, to which Ms Grassle (PPE, DE) responded that if aid conditions were clear enough, overall BS was more effective than project support.

Mr De Kemp noted how ownership of reforms was essential. He acknowledged the difficult debate concerning human rights, but noted that when countries received aid a political choice was already been made. He argued that there was a clearly positive impact on financial management, transparency, accountability etc, whilst on wider reforms, donors did not have much impact. He also considered that there was no evidence of increased expenditure on defence and military (except for Uganda) in countries receiving BS.

A <u>Commission representative from DEVCO</u> expressed appreciation for the evaluation, which had produced the same results as internal Commission studies. BS could deliver better output in social sectors, and could improve public management. Crucially, it brought no crowding out of public spending or increase in corruption. He agreed that BS could only support reforms when they were genuinely owned.

A <u>representative from the European Court of Auditors</u> instead expressed serious concerns about BS, which made the tracking of funds basically impossible. Transfer of money to countries with very high level of corruption and a poor human rights record needed to stop.

Ms Joly concluded by noting that support in many countries seemed to have been wasted, with no documented lowering of the level of poverty. This kind of study helped to establish that progress was being made and how.

End of the joint meeting.

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2. Adoption of agenda

An exchange of views with the Prime Minister of the Central African Republic was scheduled for the end of the session. The agenda was adopted as amended.

3. Approval of minutes of meeting of:

18-19 February 2013

PV - PE506.010v01-00

18-19 March 2013

PV - PE507.929v01-00

The minutes were approved.

4. Adoption of Coordinators' decisions and recommendations

Consideration and adoption of results of Coordinators' decisions and recommandations of 19 March 2013

Decisions and recommendations were adopted.

5. Chair's announcements

The Chair had no announcements.

6&7. Announcements by the Commission

The Commission had no announcements.

8. Reconstruction and democratisation of Mali

Consideration of DEVE/AFET oral question, motion for a resolution and amendments

A Commission representative, coordinator of the task force on working with international financial institutions, explained that safeguard policies applied to trust funds and technical assistance, but did not apply at this stage to the programme for results and did not apply to development policy loans. It did apply to technical assistance and the different trust funds. This did not mean that there were no safeguards within these instruments, but they were based on principles rather than rules. The World Bank had given assurances that in the process of reviewing these safeguards, the instruments applied would be used to see how to improve safeguard policies. He highlighted that on 15 May the European executive directors would be in the European Parliament and a discussion on the review process of these safeguards could be held.

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Mrs Joly asked whether the World Bank was going to ban the funding of projects that lead to land grabbing and the use of tax heavens for its own activities. The Commission representative answered that no easy answer could be given as land grabbing resulted from private investments in agriculture, and there was a whole range of policy mixes in consulting populations concerned that would be relevant. This should be dealt with through a series of accepted principles on a case-by-case basis.

In a second part of the discussion, <u>Ms Joly</u> reported on the situation on Mali one year after the coup d'Etat. She referred to the adoption of a roadmap for Mali, to the upcoming elections and to the critical situation in the country both at humanitarian (half a million more refugees since April 2012) and economic level. <u>Ms Striffler speaking on behalf of Mr. Preda (PPE, RO)</u> welcomed the initiative to put this item on the May Plenary agenda given that a donors' Conference will be held in May in Brussels, and paid tribute to the French intervention in Mali. She stated that it was now time to reflect on Mali's future, to promote economic recovery in the country and to support the political and democratic process. She called for support of the amendments he had proposed and negotiated with AFET. <u>Ms Joly</u> referred to the UN forces which were most likely going to be deployed to back up FISMA (Force internationale de soutien au Mali) and asked the EEAS representative about the priorities for the EU training mission in Mali, the modalities for a coordination between the UN and EU missions and the role of ECOWAS and the African Union from July onwards.

A representative from the EEAS answered that the UN mission would take over from the FISMA operation. The capacity of FISMA was under discussion, but it was being looked at with great attention in coordination with the UN. The priorities of the EU training mission remained to train the Malian army. There was a degree of overlap with MISMA, but most of it was being taken care by African Union, ECOWAS and other donors. ECOWAS and the African Union would remain active in following politically the process of reconciliation. The EEAS representative also referred to a statement by the President of Chad that the Chadian troops were not trained for the guerilla type conflict that was developing and that a combination of residual forces would be maintained by France and others. On the commitment to hold elections in July, he stated that the momentum was there and that it was important to hold the elections as planned to provide for the required legitimacy of the Malian authorities and that the EU was considering a full election observation mission. He said that there was ongoing support being provided in various ways by the EU to Malian

9. Fisheries restrictions and jurisdictional waters in the Mediterranean and Blac sea - ways for conflict resolution

The Rapporteur for the opinion Ms Joly, Verts/ALE, FR (Responsible committee: PECH) argued that given the importance of fish for developing countries and the constant reduction of stocks because of overexploitation there needed to be a dispute settlement mechanism in international waters. To overcome rivalries between different owners, an regional cooperation organization was needed. She also considered that it be important to give developing countries the economic and technical means to establish whether fishing is sustainable and legal in their waters.

A <u>Commission representative</u> expressed the Commission commitment to sustainable fishing and noted that common fisheries policies made sustainable management of key international waters a priority. She referred to EU action to combat illegal, unreported and unregulated fishing, to the need to protect marine genetic resources according to international law and to the need to encourage developing countries to conclude regional agreements and set rules to this end. She also referred to scientific cooperation and Commission assistance in the improvement of data collection in the Mediterranean and Black Sea area.

In concluding, <u>Mrs Joly</u> expressed satisfaction at the improved quality of the fishing agreements concluded with developing countries in recent years.

- Deadline for tabling amendments: 30 April 2013, 12.00
- Vote on 28 May 2013

10 & 11. Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity and Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization in the Union

Ms Greze (Greens, FR) presented her two draft opinions. The European Commission had come forward with a proposal for the implementation of the Nagoya protocol, an instrument to fight against bio-piracy. The rapporteur expressed serious concern at the rapid erosion of biodiversity throughout the world, including as a consequence of environmental degradation, and stressed the vital importance of preserving biodiversity, including for reasons of protection of the livelihoods of the poor populations, who depend on them. She noted that most of the providers of genetic resources and traditional knowledge on their use were to be found in developing countries.

8984/13 CT/aa 5 DRI **EN** She regretted that the proposal was focusing much more on the interest of user countries rather than developing countries. She argued that the Committee had to restore the proper balance between suppliers and users of biodiversity. In particular, she highlighted the need to establish a series of steps for users to gain permissions; a more explicit ban on bio-piracy and on the use of genetic material acquired illegally. She further suggested to extend the scope of the proposal to new genetic resources, and stressed the need to improve traceability through improved control and notification measures.

Mr Arsenis (S&D, GR) praised the work by the rapporteur, stressed the importance of the Protocol which was the outcome of a long negotiating process started back in 1992 and concluded in 2010, and which obliged user societies to share the benefits of the use of natural resources with the local populations. He regretted the EU negotiating stance on the Protocol, and argued in favour of adopting the opinion swiftly and in favour of a rapid entry into force of the Protocol in the EU.

The <u>Commission representative</u> defended the original Commission proposal, which had been elaborated on the base of wide consultation and impact assessment and tried to strike a balance between different stakeholders. Prohibition of user compliance, for instance, would need international and uniform standards that were currently not in place in order to be effective. The Commission furthermore did not believe that more check points and obligations for users would mean better compliance.

Ms Greze expressed her openness for further discussion on the points raised by the Commission.

The deadline for amendments on the draft opinion expires on 30 April and the vote will take place on 28 May 2013.

12. Exchange of views with the Prime Minister of the Central African Republic, Mr Nicola Tiangaye

The Chair Ms Joly expressed concerns at the very unstable and worrying situation in the CAR. She described the condition of the country as a consequence of its "curse of resources", i.e. despite being so rich in resources, the country was still very poor. She introduced Mr Tiangayi as the man who was guiding the country through the transition process following the coup d'etat on the 24th March, when Mr Djotodia, head of the Seleka rebels, self-proclaimed president of the country.

<u>Prime Minister Tiangaye</u> addressed the Committee and asked for help to re-establish security in the country. He explained that in 18 months the government was supposed to prepare a project of constitution whilst at the same time facing the huge humanitarian challenge brought about by thousands of displaced people and widespread destruction. The rebels, he noted, had not been able to install order in the country.

In the exchange of views that followed, Mr Louis Michel (ALDE, BE) explained that the Prime Minister was not the Salaka spokesman, but had been recognized across all political parties as the person to represent the country in this crucial moment and had already gained the support of the international community. He noted that the Prime Minister had a strong influence on the President and that the international community relied on him to restore order. He noted also that no one in the current administration of transition would be running for the next elections. He said that there was a real risk of a conflict creation in a country left with no financial means whatsoever and huge political and economic challenges ahead. He noted that no one seemed to regret the departure of President Bozize and called for the international community and the EU to support the Prime Minister Tiangayi.

Ms Sargentini (Greens, NL) noted that the country was not a beacon of democracy even before the coup d'état and that diamond trade had significantly enriched former President Bozize in his ten years of office, but that now there was a situation of complete anarchy. She asked what could be done to make sure that the resource curse was broken; and that the country goes back to re-establish the rule of law, and what the statements made by President Zuma concerning South African defense troops returning to CAR meant.

The Prime Minister regretted that Bozize had been so carelessly sacking the country during the previous decade, but assured MEPs that the current administration was going to be different. He asked for strong financial assistance, for the EU, which was the main financial partner of his country, not to discontinue projects launched before the coup d'etat and for continued help in restoring peace and stability by financing the national police and the armed forces of FOMAC (Multinational Force of Central Africa). He reported also that rebels had destroyed all buildings belonging to the administration, and that in order to restore any stability, budgetary assistance was needed. Regarding South African troops, he said that President Zuma had asked for a meeting to improve the coordination between the two countries and that there had been a number of contacts between the two countries during the Bozize leadership which were largely driven by private interests.

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The Chair expressed the support of the committee for the Prime Ministers' action and objectives.

12. Innovating for Sustainable Growth: A Bioeconomy for Europe

Ms Lovin, Rapporteur for the Opinion, referred to a Commission Communication issued last year and presented her draft opinion which focuses on ways to develop a sound political framework based on both economic and ecological sustainability. She argued that the Commission needed to propose a biomass hierarchy, meaning that materials that could be used in a different, higher; purpose should not be burnt to extract energy. Amongst other things, she noted that demand for biomass in developed countries could increase food insecurity in developing countries. She called for the adoption of international legally binding criteria of biomass use and for sustainable forest management criteria.

<u>Mr Neuser (S&D, DE)</u> praised the report and reiterated the importance of the right to food in developing countries. He also supported the idea of legally binding international standards.

The <u>Commission representative</u> welcomed the Parliament's interest and the DEVE committee interest in this Proposal. He expressed agreement on most points made by the Rapporteur and the determination of the Commission to hold further inter-institutional contacts on the subjects. He noted that by optimizing the use of biomass within the EU, the pressure of biomass demand in developing countries could be reduced.

13. Coordinators' meeting

In camera

14. Interparliamentary committee meeting with national parliaments: Policy coherence for development and donor coordination: How the European Parliament and national parliaments can work together

Following an opening and introduction by Ms Eva Joly, Chair of the Committee on Development of the European Parliament, Mr Andris Piebalgs, EU Commissioner for Development responded to questions. The Question time with Commissioner Piebalgs was followed by a first panel on Policy coherence for development in the EU, chaired and moderated by Mr Charles Goerens, standing rapporteur of the Committee on Development of the European Parliament for Policy Coherence for Development. The panel was organized as follows:

- Presentation by Mr Nick Westcott, EU Managing Director for Africa, European External Action Service
- Presentation of "good practices" in the field of policy coherence for development by the representatives of the national parliaments
- Debate between Members of the European Parliament and Members of the national parliaments
- Conclusions: Mr Charles Goerens

The second panel "Towards a better coordination of development policies within the European Union" was chaired and moderated by Mr Gay Mitchell, rapporteur of the Committee on Development of the European Parliament for the proposal for a legislative initiative on EU donor coordination, and unfolded as set out below:

- Policies and instruments for improving coordination and aid effectiveness of the European aid
- Debate between Members of the European Parliament and Members of the national parliaments
- Conclusions: Mr Gay Mitchell

Conclusions were drawn with the participation of **Mr Pat BREEN**, Chair of the Joint Committee on Foreign Affairs and Trade, Irish Houses of the Oireachtas following an exchange of views with national parliaments

15. Fight against Tax Fraud, Tax Evasion and Tax Havens

The draft opinion (Rapporteur for the opinion: Mrs. Joly, Verts/ALE, FR, (responsible committee: ECON) was adopted by unanimity.

Mrs. Joly referred to the recent meeting of the G20 and to the decision on the automatic exchange of information on bank account holders, which she considered as a major progress in the fight against tax fraud, tax evasion and tax heavens.

16. Millennium Development Goals - defining the post-2015 framework

The draft report (Rapporteur: Mr. Kaczmarek (PPE, PL) was adopted.

17. Recommendation to the Council on the 68th session of the United Nations General Assembly

The draft opinion (Rapporteur for the opinion: Mr. Lisek (PPE) (Responsible committee: AFET) was adopted.

18. The situation of Unaccompanied Minors in the EU

The draft opinion (Rapporteur for the opinion Goerens, ALDE, LU (responsible Committee: LIBE) was adopted

19. Reconstruction and democratisation of Mali

The motion for a resolution further to a question for oral answer was adopted.

20. Establishing the European Voluntary Humanitarian Aid Corps EU Aid Volunteers

The draft report (Rapporteur: Mrs. Striffler, PPE, FR) was adopted.

21. Any other business

22. Next meeting(s)

- 27 May 2013, 15.00 18.30 (Brussels)
- 28 May 2013, 9.00 12.30 and 15.00 18.30 (Brussels)

23. Exchange of views with Commissioner Georgieva on the situation in Syria and the impact of refugees in Jordan and Lebanon

Jointly with the Committee on Foreign Affairs

See separate report, doc. 8967/13.

24. Award of the 2005 Sakharov Prize to the Damas de Blanco

Jointly with the Committee on Foreign Affairs and the Subcommittee on Human Rights and in the presence of Martin Schulz, President of the European Parliament)

See separate report, doc. 8967/13.