

eCourier

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European Development Policy against Corruption

Athanassios Theodorakis

Corruption is the main hindrance that all countries are facing in their efforts for social and economic development. Although development cooperation aims at reaching the poor and vulnerable citizens, corruption diverts the allocation of funds and becomes a strong obstacle to poverty reduction.

Lack of transparency, misuse of funds and corrupt practices in the management of resources have many times fuelled violent conflicts. Therefore, in order to achieve the MDGs

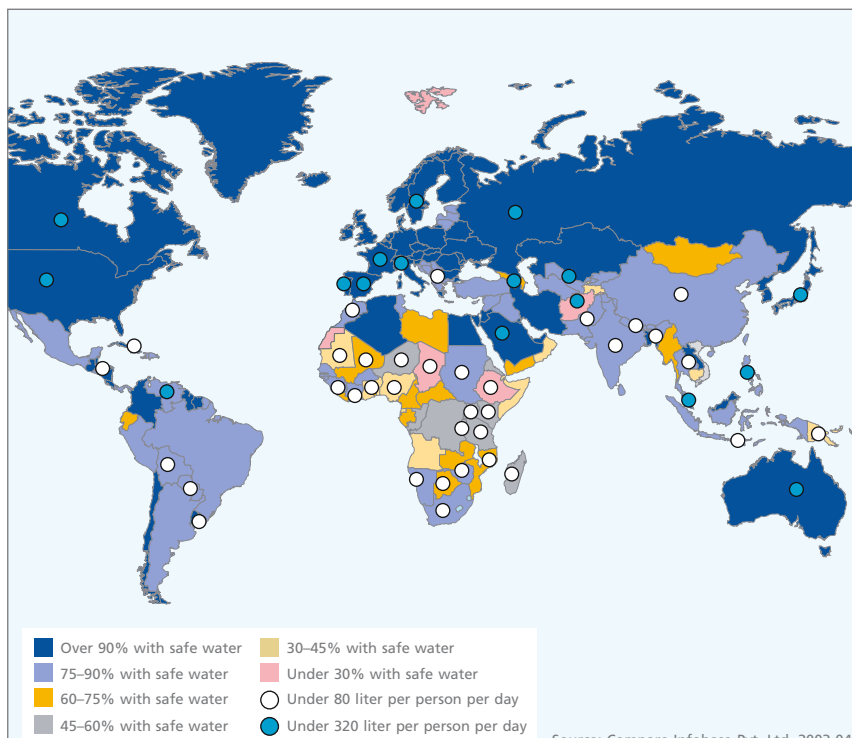
we have to fully commit and illustrate our efforts to show 'zero tolerance' for corruption. The European Consensus on Development emphasizes that "the European Community will actively promote a participatory in-country dialogue on governance, in areas such as anti-corruption, public sector reform, access to justice and reform of the judicial system. This is essential to building country-driven reform programmes in a context of accountability and an institutional environment that upholds human rights, democratic principles and the rule

of law". The use of the budget support as a principal instrument illustrates the EU's attempt to foster the ownership of development policies and strategies by the countries concerned. Since the shift from traditional project support towards general budget support, capacity building concerning governmental institutions especially in the area of public financial management, becomes crucial if the financial assistance given directly to States is to be fruitful and corruption to be controlled.

Continued on page 2 >>

Monthly Graphic:

Percentage of safe drinking water access by total population



Editorial: A year of earthquakes, floods and famine

António Cavaco

Earthquake in Pakistan, famine in Niger, Marburg fever in Angola, hurricanes in the Caribbean, the terrible aftermath of the Indian Ocean tsunami. No-one can dispute that 2005 has been a particularly bad year for humanitarian crises. International relief agencies across the world have been mobilised as never before to deliver vital relief to millions caught up in natural or man-made disasters.

When a major catastrophe hits the headlines, many agencies appeal to the public for donations. This can create a perception that relief efforts are mainly paid for through the generosity of individuals. Private contributions are very important of course, but so too is the funding that comes from taxpayers.

Continued on page 3 >>

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Continued from page 1 >>

Anti-corruption strategies ought to be built within the framework of broader support to strengthen good governance and democracy. Although good governance is a crucial objective, the political will to fight corruption and change everyday behaviors needs a long-term approach. Part of our long term strategy to fight corruption is the use of both policy dialogue and political dialogue. An in depth-political dialogue on governance and corruption has a preventive dimension and aims to ensure that democratic principles are upheld. In extreme cases of corruptive practices the EU will use special procedures (such as article 97 of the Cotonou Agree-

ment). Naturally, a standard clause to prevent fraud and corruption is included in all the models of the financing agreements concluded by the Commission with partner countries in order to check the proper use of funds mobilised under our cooperation programmes. The new EU Strategy for Africa, is committed to back African-owned efforts to improve governance, through in particular the African Peer Review Mechanism which is a self-assessment and self-monitoring mechanism.

However, a more holistic approach to fight corruption is needed since corruption is not confined to a limited number of sectors and it is an extremely complex issue that can

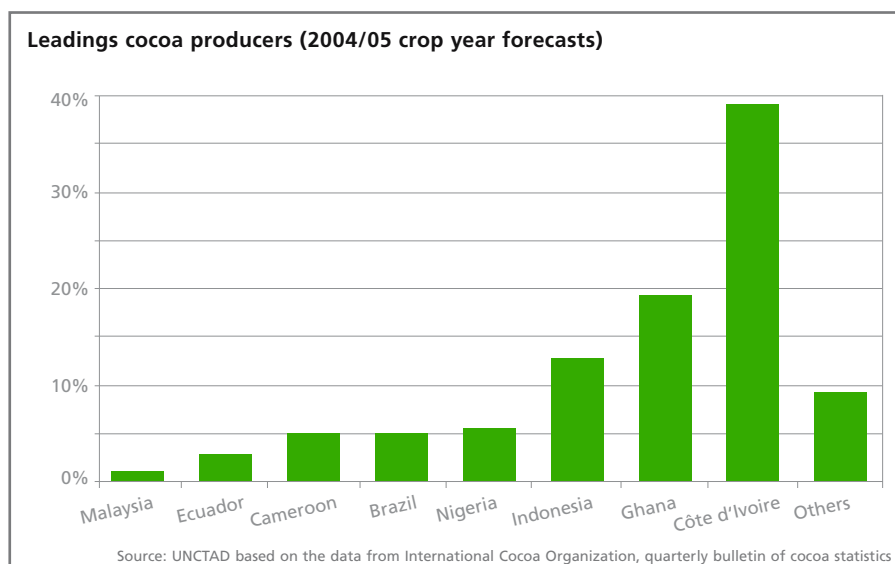
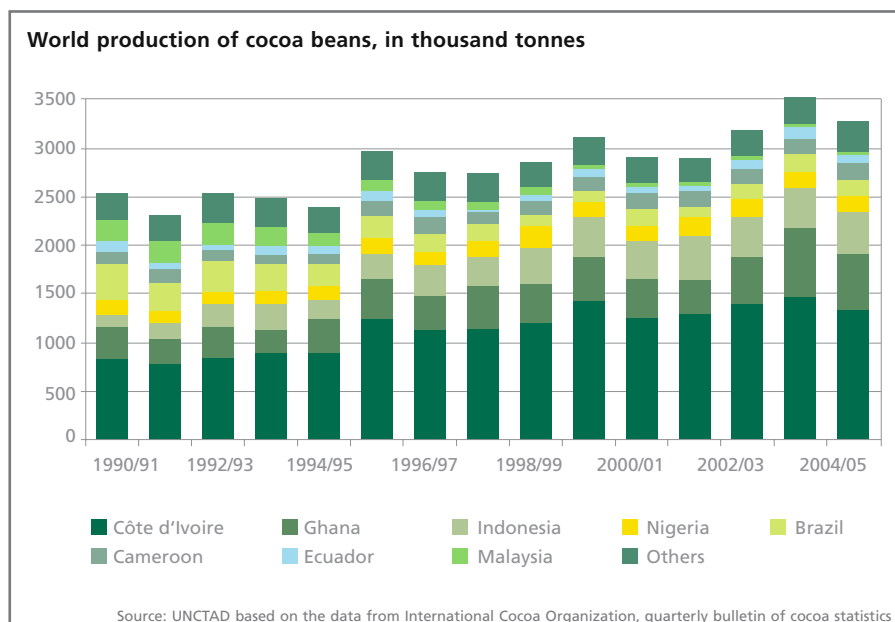
potentially affect all institutions and citizens. Capacity building for non-state actors is also a very important tool for fighting corruption. Strengthening the capacity of NGOs, supporting actions on civic education, voters education, awareness raising activities on democratic principles and human rights, are all important measures for an enhanced participation of citizens. Civil society has always been the major player in fighting corruption.

The UN convention against corruption stresses the importance of fighting corruption not only in the public but also in the private sector. Taking measures to prevent corruption in cases where public officials grant licences and ensuring that private enterprises have efficient internal audit systems are important for a positive engagement of the private sector in reducing poverty. Small and large companies and trans-national corporations must be fully committed in the fight against corruption. Taking into account that the revenues that rise from extractive industries and forest products are major sources of income for the poor, the transparent way of their processing is also crucial for poverty reduction. Regarding those sectors the EU fosters two initiatives: The extractive industries transparency initiative (EITI) that demands the publication of company payments and government revenues from the extractive industries and the EU action plan for Forest Law Enforcement, Governance and Trade (FLEGT) that supports the capacity of the forestry sector to prevent illegal logging. The EU also strongly supports the Kimberley Process Certification Scheme for diamonds.

Developing countries have the prime responsibility for their development, but developed countries have a responsibility too. The UN, OECD, WB, IMF and the EU, all collaborate in their efforts to support social and human development and democratization. However, we are all well aware that fighting corruption and improving not only the institutions but also the everyday behavior of people in both the developed and developing world are not goals that can be reached overnight.

If our development cooperation is to be successful then both states and non-state actors will have to increase their capacity to fight corruption. We recognise that development is a risky process, but we are committed to establish the right mechanisms and to help developing countries to overcome corruption since the success in meeting the MDGs depends on good governance within each country.

Monthly focus: cocoa production worldwide



Editorial: A year of earthquakes, floods and famine

Continued from page 1 >>

EU largest donor

The European Union is the world's largest provider of financing for humanitarian aid operations. Altogether, the Commission in Brussels and the 25 Member State governments pay for more than 50% of the assistance that goes through official channels, with the Commission itself responsible for managing almost half of this aid.

Within the Commission, operations are masterminded by the Humanitarian Aid department which comes under the responsibility of Commissioner Louis Michel. The department has a multinational mix of staff working in Brussels and some 40 field offices situated close to, or in, crisis zones. In 2005, it channelled more than €650 million to humanitarian programmes in 60 countries and territories throughout the world.

Crucially, the Commission has a rapid response capacity enabling it to deploy speedily to where the aid is needed. Several times over the past year, it has announced a first relief package within 24 hours of the disaster. This has enabled partner agencies to begin work immediately, delivering shelter and medical aid to victims, providing clean water and sanitation, and supplying the other basic essentials of life. On the ground, the aid is delivered by around 200 operational partners including European NGOs (such as Médecins Sans Frontières and Oxfam), United Nations agencies (such as UNICEF and the World Health Organisation) and the Red Cross 'family'.

Focus on forgotten crises

Not all crises attract the same amount of attention. For various reasons, there are some tragedies that unfold almost completely outside the media spotlight. Examples include long-running conflicts that, after an initial burst of publicity, slip from the public gaze although the suffering continues. In other cases, insecurity or remoteness make it impossible for camera teams to reach the scene and send back images to the outside world.

Agencies that are trying to help the people caught up in these situations often find it more difficult to attract financing. This is an area where European humanitarian aid offers added value.

The Commission's commitment to assist victims of forgotten crises is a reflection of the needs-based principle that it applies in allocating humanitarian aid. The support is allocated impartially to the most vulnerable people in crisis zones, irrespective of their nationality, race, religion, gender or age.

As Louis Michel, the European Commissioner for Development and Humanitarian Aid has stated: "Solidarity with the world's most vulnerable people is a basic value of the European Union. The prompt and effective help we provide, easing the misery of millions every year, is a concrete expression of that solidarity. We are present throughout the world - in high profile crises like Darfur and the tsunamis, but also in forgotten ones like the civil conflict in Nepal - funding much-needed assistance to people. So whenever you hear of a humanitarian disaster, you can be sure Europe is there, often as the first donor."

The EU action plan for forests (FLEGT) *Neil Scotland*

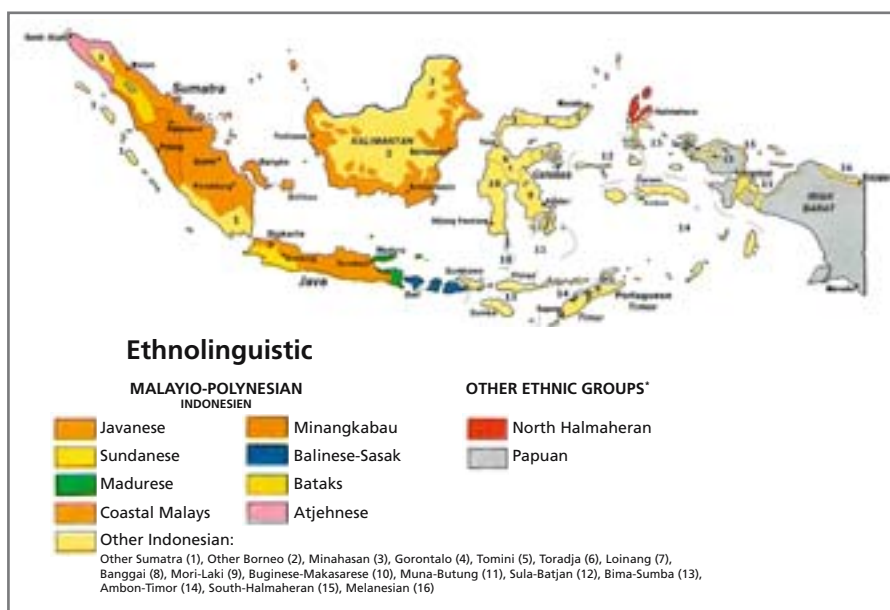
Illegal logging and the trade in illegal timber are prominent among factors contributing to the rapid loss of global forests. This rapid destruction adversely affects many of the world's poorest people, who depend on forest resources for a living. Illegal logging fuels corruption and undermines the rule of law in many wood-producing countries. It also deprives governments of vital revenues to spend on poverty reduction programmes. The World Bank estimates that developing country governments are currently losing some US\$10-15 billion annually due to illegal logging.

The European Commission is leading efforts to address this serious problem, through an EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT). The action plan sets out an approach that aims to use the influence of the EU market to help in the fight against illegal logging and curb related trade in illegally-harvested timber.

The main elements of the Action Plan are support for improved governance in wood-producing countries, and a licensing scheme to ensure only legal timber enters the EU. These elements will be implemented through partnership agreements with wood-producing countries.

EU Member States agreed to proposals to implement the action plan in October. Commissioner Louis Michel, European welcomed this development, highlighting that "only by working in close partnership with timber-producing countries can we hope to have a real impact; the partnership agreements provide producing countries with the incentives and support required for them to fight illegal logging."

Efforts to develop partnerships are now underway in Ghana, Cameroon and Malaysia and Indonesia. Funds of €17m were committed in 2004 to support pilot programmes addressing key themes that will arise in the partnership agreements, including independent monitoring of timber harvesting operations. A grant of €3m was also provided to support international and regional dialogue on improving forest governance and combating illegal logging; and a €15m programme of technical assistance is due to begin in Indonesia in early 2006. Implementation will now accelerate in 2006, when formal talks are due to begin on partnership agreements.



Building ACP Local Science, Technology and Innovation Capacity *Hansjörg Neun*

There is global consensus that developing countries must place greater emphasis on the application of science, technology and innovation (ST&I) to achieve sustainable development. The ACP region grapples with rising unemployment, poverty and food insecurity (hunger and starvation) and declining capability to compete in domestic, regional and international markets. In light of that, governments are recognizing that they must build indigenous ST&I capacity to respond effectively to these challenges. The agricultural sector is vital for social and economic stability. Therefore, interventions promoting ST&I must also address the sector's inherent systemic weaknesses.

Countries with low indigenous S&T capacity have underperforming or weak economies. In 2004, the International Academy of Science, recommended that each nation should develop a S&T strategy based on local priorities and that developing nations should commit between 1 to 1.5% of their gross domestic product (GDP) to S&T capacity building.

Mashelkar (2005) identified several critical factors for building indigenous technological capacity in developing countries. These included a conducive policy environment, entrepreneurship, promotion of a culture of innovation, access to technology, an educated and skilled work force, and an emphasis on indigenous efforts involving "learning by doing". Emphasis is on the policy environment as it influences the capacity of enterprises to innovate and the calibre of the human capital available to support the transformation.

The paucity of S&T policy plans, inadequate networking and limited human and financial resources are hindering the advancement of the ST&I process in the ACP region. A platform was established in 2002 to enhance S&T collaboration within and across the ACP sub-regions and between the ACP region and the EU. Since then, the Technical Centre for Agricultural and Rural Cooperation (CTA) has supported the annual meetings of the Advisory Committee on S&T for ACP Agricultural and Rural Development and contributed to building capacity. The Committee has encouraged CTA to work in collaboration with its ACP, EU and international partners to strengthen ACP capacity in the analysis and formulation of S&T strategies and policies.

At its 4th meeting held in November 2005 at CTA Headquarters in Wageningen, the Netherlands, the Committee suggested to disseminate the ACP policy briefs on biotechnology and biodiversity and the proposed methodology for analysing and bridging the gaps in the Agriculture, Science, Technology and Innovation (ASTI) System elaborated by CTA and its ACP partners. Special attention should be given to tertiary education in agriculture, the need for ACP universities to re-engineer themselves especially the agriculture curriculum and the urgency for bringing these issues to the attention of policy makers. The full report of the Advisory Committee meeting is available on the CTA Knowledge website <http://knowledge.cta.int/>.

Re-launch of the ACP-EU Courier

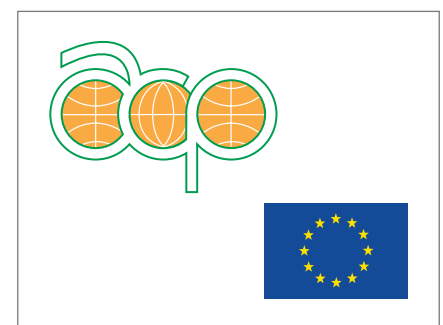
The EC has published the Procurement Notice for the re-launch of the ACP-EU Courier in OJ S 2 of 5 January. Deadline for applications: 6 February. More information at:

>> http://europa.eu.int/comm/europeaid/tender/index_en.htm

Picture of the month:



According to the World Bank (2005), in 2003 161 people per 1000 had access to internet in Europe and Central Asia, compared to only 20 per 1000 in Sub-Saharan Africa. The EU stresses that access to the information society is crucial for growth. The demand for better access is growing dramatically as demonstrated by the amazing proliferation of internet cafes everywhere in Africa, even in the middle of nowhere. And they are becoming a veritable cultural centre in the most remote villages.



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