

PART ONE

STRATEGIC FRAMEWORK OF CO-OPERATION WITH THE DEVELOPING WORLD



A-1 Basic Development Policy Framework and New Orientations

A-1.1 General

Nowadays humanity faces a series of very important problems-challenges, within the framework of a globalized reality, wherein conditions change in unprecedented rates. As the world becomes more and more interdependent, the problems are internationalized. Poverty, illnesses, malnutrition, illiteracy, lack of access to drinkable water, deterioration of the environment, violation of human rights, regional conflicts, lack of democracy, all constitute problems that aggravate instability of the international system, as they are generated in the less developed countries, but have considerable impact on the developed ones.

Combating all these problems-challenges constitutes a great moral, political and social issue of democracy and a major priority for the international community, since the problems, as phenomena, do not only dispute culture, but constantly endanger international peace and security, development and prosperity.

In this context, the efforts undertaken since the year 2000, by the international community of donors and of developing partner-countries, for the implementation of the Millennium Development Goals (MDGs), constitute a policy framework for the achievement of stability and prosperity, for the benefit of all peoples of the world. These Goals provide for:

- elimination of extreme poverty and hunger;
- universal primary education in all countries;
- promotion of gender equality and provision of opportunities to women;
- reduction of infant and child mortality;
- improvement of maternal health;
- combat HIV/AIDS virus and other diseases;
- ensure environmental sustainability;
- develop a global partnership for sustainable development.

Details on the "Millennium Goals" are presented in ANNEX [I].

The Greek development co-operation policy framework supports the undertaking of coordinated processes to achieve the MDGs. The main orientations of the Greek development co-operation policy coincide with these goals. In this sense, it is accepted that the ultimate goal of development co-operation is poverty reduction, especially in unprivileged developing countries, their stable and viable economic and social development, their harmonious and progressive integration in the global economy and preservation of peace and stability - through the enhancement of democratic institutions and the state of law - and respect for human rights and fundamental freedoms. Moreover, other goals include social progress, development and economic prosperity of all peoples, as well as preservation and sustainability of the environment.

In particular, by practicing development co-operation policy, Greece seeks to combine three parameters. That is to ensure that Greek objectives:

- are compatible with the UN “Millennium Declaration”, a text in the form of a road map for the 21st century that includes among others eight (8) Millennium Development Goals – MDGs, as these have been determined by the UN,
- are in accordance with European development priorities and
- are compatible with national development priorities.

Greek policy is schematically shaped by three intersecting circles. The first, includes the MDGs, as these were set by the UN. The second, includes E.U priorities, as these are defined by the Council of Development Co-operation Ministers and the third includes Greek foreign policy priorities. The common area between the three circles specifies the range of Greek activities.

The Greek development co-operation strategy has a five-year horizon and is as focused as possible both geographically and thematically. Whereas, during the previous period the Balkans were its main and almost exclusive goal geographically, mainly through the implementation of the Greek Plan for the Economic Reconstruction of the Balkans (ESOAB), during the last two years, without abandoning the particular region, the more the European perspective of the region’s countries progresses, the more new development co-operation perspectives are formed towards the Black Sea, the Middle East, the Sub-Saharan Africa and Asia.

Moreover, over the past few years new thematic sectors were also added, such as those of economic development, safeguarding of the flow of drinking water, environmental sustainability, establishment of institutions, combating human trafficking and others, without of course abandoning the traditional fields of activity, such as education and health.

Beyond the quantitative rise of its assistance, Greece also attaches special importance to the enhancement of its aid effectiveness, according to the principles of the “Paris Declaration” of March 2005. For this purpose, it has adopted the main principles of development co-operation policy practice, that are in effect within the framework of the E.U and the DAC.

In particular, in respect of planning, the objective is to have one “Country Strategy Paper” for each priority country, whereas Greece intends to participate also in the procedure of Joint Programming and Co-Financing Programs, promoted at E.U level. On the other hand, in order to improve its aid effectiveness, Greece intends to reduce the number of recipient countries and to increase the size of implemented projects, as well as their duration. Already, during the last two years certain activities of two-year duration were implemented, in addition to projects carried out within the framework of the ESOAB.

The priority countries for the year 2006 were thirty eight, because more African countries were added. Greece has concluded Co-operation Protocols with some of these countries. In particular, Protocols have been signed with the governments of Armenia, Georgia, Ukraine and Egypt. Greece has already signed a bilateral co-operation Protocol with Albania in various sectors, with Ethiopia in Africa, while another one will be signed with an Arabic country, to be defined soon.

This way, Greek development co-operation policy takes even more into consideration the needs of the developing countries and mainly of the less developed ones, but also keeps pace with and implements priorities and directives that are traced out or decided by international bodies, such as the E.U, the OECD and the U.N.

Coherent programming, as well as the implementation process are two vital elements for achieving the goal of efficiency and effectiveness of Greek aid. In order to face this issue, HELLENIC AID, already since 2005, initiated co-operation with donor countries that enjoy

significant experience in the development co-operation sector, as well as with International Organizations. This co-operation aims on the one hand, at achieving enhanced efficiency of programs financed by the Greek State and on the other hand, at the acquisition of valuable experience by Greek implementing Bodies that will participate in joint programs.

HELLENIC AID has signed a Memorandum with the U.N's World Food Program, while another two Memorandums are being prepared, with FAO in Rome, as regards agricultural development programs and with UNAIDS in Geneva, for programs against AIDS.

A-1.2 Greece and E.U Development Co-operation



A-1.2.1 E.U Development Co-operation Policy – Greek participation to the relevant EU decision making Bodies – Results of the General Affairs and External Relations Council – GAERC (development agenda)

Introduction

In 2006, the E.U proved that it is an important actor within the international donor community, by providing the highest percentage of Official Development Assistance (ODA) globally and by supporting international decisions seeking to enhance aid effectiveness, the achievement of the eight Millennium Development Goals, of poverty reduction and its effects. Adoption of the European Consent on Development, in December 2005, constituted, for the first time, the effort for a new political dimension of development, giving to this policy a more central role within the framework of E.U external relations. It presents a common vision, which engages the Council, the Parliament, the Committee and each one of the 27 Member States. It provides the reference framework for a more effective and cohesive development policy, which aims at confronting global challenges, such as climate changes, immigration, energy, safety and the social dimension of globalization.

In terms of the commitment assumed by the E.U during the Monterrey Conference regarding Development Financing in 2002, that is to say to collectively raise development assistance to 0.39% of its Gross National Income (GNI), it was proved that the E.U exceeded this goal by providing in 2006, 0.42% of its GNI for development assistance. This percentage ranks the E.U first among donors worldwide (comparatively, the USA, the digest donor within the DAC/OECD, reached 0.17% of ODA/GNI ratio in 2006), and leaves justified expectations for the accomplishment of the future E.U goals, namely for 0.56% in 2010 and 0.7% ODA in 2015.

Greece is actively participating in the above mentioned development policy of the E.U and its goals. Issues like enhancing aid effectiveness and raising ODA are fixed commitments for Greece, which are included in Greece's five-year bilateral development programs. Our Country was particularly interested in the E.U consultations and contributed accordingly to the discussions on the European Consent, the issue of complementarity and effort sharing, the new Financial Instrument for Development Co-operation, as well as on the Cohesion Policy in favor of Development, immigration and the fight against HIV/AIDS.

The development agenda of the General Affairs and External Relations Council (GAERC)

In 2006, two GAERC meetings were held, according to normal practice, where the E.U Development Ministers were heads of the development agenda.

□ GAERC of 11th April 2006:

▪ The Council came to the following Conclusions:

- Development Financing and Aid Effectiveness: More, better, faster provision: The Council reaffirmed its commitment, on the Monterrey Consent, but also on the increase of E.U ODA, innovative financing sources, debt forgiveness, aid untying, etc. In terms of aid effectiveness, issues discussed covered, the commitment for determination of operational principles for effort sharing on-site and inter-governmentally, progress on the issue of Joint Planning and decentralization. Moreover, “A common framework for drawing up Country Strategy Papers (CSPs) and principles on the joint multi-annual planning” was adopted.
- Cohesion Policy for Development (PCD): Work Plan 2006-2007: The Council agreed on the following action priorities of Member States and of the Committee, regarding cohesion: improvement of the Council’s decision-making, in order to integrate more effectively development issues in the decisions of each E.U policy, improvement of the Council’s capacities for monitoring and evaluation of the PCD progress, and involvement of government mechanisms of Member States in the monitoring of inter-sectoral and inter-ministerial co-ordination in the 12 thematic sectors.
- **The Development Ministers also discussed the following issues:**
 - Action within the development co-operation framework, Immigration and Development, the Financial Instrument for Development and Economic Co-operation, the 10th EDF (European Development Fund) and the Financial Protocol with the Internal Agreement, humanitarian aid, and the U.N forum on the cohesion of the entire system.
 - **The Ministers for Foreign Affairs** came to Conclusions on the issue of Human Resources in the health sector of developing countries and a relevant E.U Commitment Declaration.

□ GAERC of 17th October 2006:

▪ The following Conclusions were adopted:

- Aid for Trade: The Conclusions constituted the preparation of a “development package” of the E.U within the framework of the ministerial meeting of the WTO/Doha Development Agenda, in December 2006, in Hong Kong, and included, among others, the economic commitment of the E.U to reach by 2010, the annual amount of 2 BEURO for support of the commercial sector.
- Governance in the framework of European Consent for Development: Towards a harmonized E.U approach: Conclusions covered issues such as the Governance Initiative for the ACP countries, planning of motivation lines, the Assessment Mechanism for Africa as a self-evaluation instrument that encourages reforms, Instability and Fragile States, etc.
- Orientation Discussion: E.U Guiding Principles for complementarity and effort sharing: Conclusions call on the Committee to prepare an Announcement on complementarity and effort sharing, within 2007. Issues such as reduction of priority areas and sectors, leading donor agreements, joint planning framework, are mentioned.
- Orientation Discussion: Integration of issues on development in the Council’s decision-making processes (Policy Cohesion in favor of Development-PCD): The Council’s discussion focused on how support of the European development policy can be enhanced by other E.U policies. Conclusions anticipate for a more systematic

provision of information on the impacts of E.U decisions on its development policy, a revision of the rolling work plan for the PCD, a Report on PCD implementation every two years, which will be presented by the Committee in 2007 for the first time.

- **The Ministers also discussed the following issues:**

E.U Strategy for Africa, reform of U.N development bodies, biodiversity in E.U development co-operation, ratification of the revised Cotonou Agreement by national Parliaments and the need for cohesion between immigration policy and development.

The Development Director Generals (DGs)

Director Generals meet, upon invitation by the European Committee, some times per year, not only to prepare the development GAERC, but also to discuss current or new issues in the international development agenda.

In 2006, three informal DGs meetings took place. In addition to current issues, such as the presentation of the development program of a Presidency, immigration and development, aid effectiveness or the 10th EDF and the Initiatives for Africa, the issue of the rising - in terms of development - China, its increasing impact on Africa and research within the development co-operation framework, were also discussed.

A-1.2.2 Greek Participation at the implementation procedures of E.U development co-operation policy by geographical regions

YDAS-3 Directorate represented Greece at the E.U Management and Geographical Committees competent for the approval of development programs and projects, in whose competences, monitoring and assessment of programs' results, are included.

- ACP Countries and EDF Committee
- The Balkan countries and the PHARE Committee
- The Eastern-European countries, the Central Asian countries and the TACIS Committee
- The countries of Latin America and the ALA Committee
- The Euro-Mediterranean Co-operation and the MEDA Committee

African-Caribbean-Pacific (ACP) States

Participation at the works of the European Development Fund (EDF) Committee:

The European Development Fund constitutes the main instrument of provision of Community assistance within the framework of co-operation for development of the ACP countries, as well as the overseas countries and territories. This Fund is not part of the general Community budget, but is financed by Member States. It is subject to its own financial rules and is administered by a special committee, the works of which are followed by a representative of YDAS-3 Directorate (national representative). The EDF budget is determined each time for a five-year period and in general its duration follows the cycles of agreements/contracts of a partnership between the E.U and ACP countries. The current EDF, whose conclusion concurs with the conclusion period of the Cotonou agreement, has been financed with the amount of 13,500 MEURO for a five-year period, while the additional amount of 9,900 MEURO, from non-absorbed amounts of previous EDFs, should be added to this amount. EDF financing mainly concerns the non-refundable flows, risk capital, as well as loans to the private sector. The STABEX and SYSMIN Systems that sought to support agricultural and mining production of these countries, were abolished in 2000, within the framework of the Cotonou Agreement and were replaced by the FLEX system which counterbalances losses from ACP exports when they fall below 2%.

From 1-1-2008 the 10th EDF will be set into effect for the period 2008-2013 with a total budget of 22,682 BEURO. The Greek contribution for that period will amount to 333.42 MEURO. The ratification process by the National Parliaments of MS is in progress.

As regards negotiations for the conclusion of Economic Partnership Agreements, between the E.U and the ACP countries, despite the obstacles noted, they are expected to be completed within schedule, in order to take effect as from 1-1-2008.

Asian and Latin American Countries – ALA Management Committee

Since 1992, the ALA Management Committee constitutes the main instrument of the E.U for economic, technical and financial co-operation, aiming to enhance development of the Asian and Latin American States. This co-operation, complementary to the assistance of the MS, attaches, inter alia, primary importance to the promotion of human rights, effective, fair and good governance, enhancement of the cultural dimension, as well as protection of the environment. This committee plays an important role in the effective co-ordination of development activities coming from the E.U and the MS, in order to strengthen coherence and effectiveness of development co-operation programs. In 2006 the European Committee, within the framework of the ALA program, proceeded in approvals of a total of 1,209 BEURO (Asia 853 MEURO, Latin America 356 MEURO) and payments of 1,080 BEURO in total (Asia 737 MEURO, Latin America 343 MEURO) [COM (2007) 349/21.6.2007].

Greece, on the one hand, bilaterally finances humanitarian and development aid programs, and on the other, within the E.U framework, actively and constructively participates in procedures relating to the financing of development.

Greece participated at the meetings of the ALA Management Committee, as well as at the procedures for its replacement. From 1-1-2007, the ALA Committee was succeeded by the new Development Co-operation Instrument, which geographically covers the countries of Latin America, Asia, Central Asia, Middle East, South Africa and the ACP Countries of the Sugar Protocol.

In 2006, Greece, at bilateral level, approved in total 45,780,000 EURO for programs concerning Asian countries (44.21 MEURO), South America (1.11 MEURO) and North and South America (0.46 MEURO).

Euro-Mediterranean Co-operation – MEDA Program

The Barcelona process was established in November 1995 with the adoption of the homonymous Declaration. Greece actively participates in this process, which concerns the countries with which it is in close proximity. The Euro-Mediterranean partners set the three pillars of their co-operation with the Barcelona Declaration:

- consolidation of peace and stability in the region through enhancement of political dialogue;
- establishment of a prosperity zone through enhanced economic co-operation and gradual establishment of a free trade zone;
- rapprochement of nations through humanitarian, cultural and social co-operation.

The MEDA program is the basic E.U financial instrument for the facilitation of Euro-Mediterranean co-operation. The program provides technical and economic support aiming at reforming the socio-economic structures of the Mediterranean basin countries. Greece actively participates at the works of the MEDA Management Committee, as this financial instrument succeeded, as from 1-1-2007, the European Neighborhood and Co-operation Instrument, which geographically replaces the MEDA and the TACIS, with the respective Management Committee. This Committee plays a significant role in the effective co-ordination of development activities originating from the E.U and MS, in order to enhance

coherence and complementarity of their co-operation programs. It also encourages co-ordination and co-operation with international financial organizations and other sponsors. In 2006, the E.U, within the framework of the MEDA program, approved 1,178 MEURO and paid 1,235 MEURO [COM(2007)349/21.6.2007]. In 2006, Greece, at the bilateral level, approved in total 20,680,000 EURO for programs concerning MEDA countries: Algeria (0.02 MEURO), Egypt (2.61 MEURO), Lebanon (9.92 MEURO), Syria (2.28 MEURO), Jordan (1.10 MEURO), Morocco (0.07 MEURO), Tunisia (0.09 MEURO), Palestinian Authority (4.59 MEURO).