

*This document is an abstract of the Report of the **European Parliament** Committee on Development on the Assessment of draft Country and Regional Strategy Papers/Indicative Programmes.*

This has been prepared by Working Groups on the Implementation of Regulation No. 1905/2006 of the European Parliament and of the Council of 18 December 2006 Establishing a Financing Instrument for Development Cooperation.

PARAGUAY

1. Content

The CSP states that the economy of Paraguay has grown in terms of total GDP and external trade, also poverty has increased. The percentage of population living in poverty was 41% in 2003 compared to 30% in 1995. In the rural areas 29% of the population were living in extreme poverty compared to 13% in urban areas (in total 20% of the population in extreme poverty).

An indicative allocation of €117 million has been earmarked for Paraguay in the period 2007-2013.

The focal sectors of the NIP are:

1. Support for Education (€ 95 million)
2. Support for the economic integration of Paraguay (€ 22 million)

2. DAC and DCI compatibility

DAC codes for the activities foreseen under the two focal sectors are: 112 (basic education) and 113 (secondary education) for focal sector 1 and 331 (Trade policy and regulations) and 150 (Government and civil society) for focal sector 2.

The general and specific objectives of the activities proposed under focal sector 1 are oriented towards promoting social and territorial cohesion via widening supply and quality of education. Under focal sector 2, the activities aim at the country's economy and social integration. Actions under both focal sectors therefore fulfil the criteria for ODA as defined by the OECD / DAC.

DCI Article 5 describes the areas of activity with partner countries in the geographic programmes, while DCI Article 6 highlights the specific areas of cooperation in to which additional attention should be paid in Community assistance to Latin America.

Focal sector I (Education) is covered under DCI Art 5 (b) (iv) and Art. 6 (a). Focal sector II (economic integration) is covered under DCI Art. 5 (c) and Art. 6 (c), (k) and (m).

3. MDG focus

According to Article 2(1) DCI *"the primary and overarching objective of cooperation under this Regulation shall be the eradication of poverty in partner countries and regions in the context of sustainable development, including pursuit of the MDGs ..."* The MDGs are later (in Article 5 (2a) and several other articles) confirmed as the overarching objective.

The first focal sector (basic and secondary education) is clearly focused towards the second MDG and formulates specific targets and indicators for its achievement. Focal sector II is only indirectly related to the MDGs, more oriented at creating growth and general welfare of the country.

The MDG profile provided in Annex II contains useful information, and it is possible to estimate a degree of likelihood of meeting MDGs in Paraguay.

4. Consultation Procedure

Consultation with civil society has taken place in three workshops of which summaries are given in the CSP. Lists of participants are missing.

No specific consultation with national parliaments has taken place, as they are not part of the programming guidelines.

The Committee on Development suggest that the Commission integrate in its programming guidelines workshops with the participation of national parliaments.

5. Conclusion

The actions of the CSP/NIP Paraguay are covered by the DAC list for ODA eligible cooperation and therefore no formal objection is due. The link to the primary objective of cooperation under the DCI (the eradication of poverty, including pursuit of MDGs) is respected.

At this stage of the consultation process and on the basis of the documents received, the Committee on Development does not object to the CSP Paraguay in the framework of the comitology procedure foreseen under Article 35 of the DCI.

The Committee on Development asks the Commission and the Member States to take the remarks made above into account in their examination of the CSP Paraguay as well as for the implementation of the CSP/NIP.