The European Union family continues to be attractive: Croatia becomes 28th member of the European Union

Croatia's accession

The European Union has welcomed one more member to its family. Croatia, which applied for EU membership in 2003, has become a full-fledged member from the 1st of July 2013. The EU now has 28 members.

Croatia became independent on 25 June 1995 from the former Yugoslavia. The Republic of Croatia is a unitary, parliamentary democracy situated at the crossroads of central Europe, the Balkans and the Mediterranean. The country is divided into 20 counties and the city of Zagreb is its capital. Croatia covers 56,594 square kilometers (21,851 square miles) and has diverse, mostly continental and Mediterranean climates. Croatia's Adriatic Sea coast contains more than a thousand islands. The country's population is 4.28 million, most of whom are Croats, with the most common religious denomination being Roman Catholicism.

Croatia is included in the group of countries with small and open economies, which are largely connected to other foreign markets. The priority of Croatia's economic policy is the consolidation of a stable and strong market-oriented economy which is competitive in the global market, the constant reinforcement of macroeconomic stability and the continuation of structural reforms with a view to securing stable and sustainable economic growth.

The main sectors of Croatia’s economy are industry, agriculture, forestry, fishing industry and food, drink, and tobacco production, construction, transport and communication. Croatia’s main manufacturing industries include chemicals and plastics, machine tools, fabricated metal products, electronics, pig iron and rolled steel products, aluminum processing, paper and wood products (including furniture), building materials (including cement), textiles, shipbuilding, petroleum and petroleum refining, and food processing and beverages.

Croatia today ranks high in the Human Development Index. Croatia’s HDI value for 2012 was 0.805—in the very high human development category—positioning the country at 47 out of 187 countries and territories. Croatia is a member of the United Nations, the Council of Europe, NATO, the World Trade Organization, and a founding member of the Union for the Mediterranean.

The EU and Croatia have close economic links. The European Union exported goods worth €11,194 million to Croatia in the year 2012, which is 0.7% of its total exports to the entire world and imported €5,471 million worth of merchandise from Croatia in 2012.1

Croatia's EU Membership, advantages for both EU and Croatia

Both Croatia and the EU will benefit from the new accession, which will contribute towards ensuring political stability in a strategic European region that was torn by conflict not so long ago.

Croatia, being a member of the largest regional grouping will feel more secure and stable in the world compared to earlier years. Croatian companies will have access to a larger market with half a billion consumers. This in turn will result in more jobs and better living conditions for Croatian citizens. They will also benefit from the internal political and fiscal reforms that have been carried out in recent years with a view to joining the EU.

1 Source: DG Trade, European Commission/
Concretely, they will benefit from a more efficient judiciary, more transparent and efficient public administration and full abidance by principles of human rights and civil liberties.

The benefits for the EU will also come in the form of expansion of its internal market along with the creation of new opportunities for EU businesses and consumers. Accession will also lead to the application of EU standards in various crucial areas such as energy, transport and environment that have an impact on EU as a whole.

Croatia’s joining of the EU provides one more opportunity for the whole of EU to enhance its cultural diversity and human potential. It is an inspiring development in the history of regional integration in Europe, which has brought further stability to the western Balkans sending a positive message to other candidate countries aspiring to join the Union.

There are a number of candidate countries that are currently negotiating to join the EU or waiting to start the negotiations. Iceland and Montenegro started accession negotiations in 2012 while Turkey started negotiations in 2010. Former Yugoslav Republic of Macedonia and Serbia are waiting for the negotiations to begin.

At the moment, other countries in the Balkan region, Albania, Bosnia and Herzegovina and Kosovo are considered as potential candidates for EU membership.

The successive enlargements and the new candidacies clearly underscore that the European Union is a successful example of regional integration, the impact of which is growingly being felt within and outside Europe. While the path to the construction of Europe has not been without difficulties, it has been widely perceived that the regionalism practiced and propagated by the EU has proved to be a successful means to solve differences peacefully and effectively.

The benefits of the construction of Europe have been widely felt by European citizens. The lessons learnt from more than sixty years of European integration could inspire other regional groupings such as the South Asian Association for Regional Cooperation (SAARC), which holds unlimited potential for political stability and economic prosperity if it’s states decide to cooperate more intensively to address their common challenges in many fields including economic opportunities, education, research and regional development, just to mention a few examples.

Latvia is declared ready to join the Euro

Olli Rehn, Vice President of the European Commission and member of the Commission responsible for Economic and Monetary Affairs and the Euro, participated in the festivities to celebrate the enlargement of the euro area to include Latvia as from 1 January 2014. The Vice-President was accompanied notably by Valdis Dombrovskis, Latvian Prime Minister, and Jeroen Dijsselbloem, President of the Eurogroup.

This decision was made possible thanks to Latvia’s high degree of sustainable convergence with the euro area, in both quantitative and qualitative terms. The country convincingly met the five Maastricht convergence criteria and its economic policy was on a sustainable path.

Valdis Dombrovskis, on the right, and Olli Rehn, both holding a giant false 1 Euro coin at the effigy of Latvia.

In response to the Commission’s proposal, the Council adopted a decision allowing Latvia to adopt the euro as its currency as of 1 January 2014 on 9 July. This decision will extend the euro area to 18 member states, and gives Latvia almost six months to prepare for the changeover.

The Council also adopted regulations setting a permanent conversion rate for the Latvian lats against the euro, and adapting certain technical provisions on the euro.

The Commission finds that Latvia convincingly meets the five Maastricht criteria for euro adoption; inflation is well below the reference value; the fiscal deficit and public debt are both on a sustainable path; the exchange rate has remained stable vis-à-vis the euro without any signs of tension and long-term interest rates have converged to low levels. Moreover, the legal framework has been brought fully in line with the Treaty requirements in Latvia.

Similarly, Latvia’s external balance has improved strongly, mainly based on gains in competitiveness. Its product, labour and financial markets are well-integrated with the euro area economy and financial supervision and regulation have been strengthened and of course once Latvia becomes a member of the eurozone, it will also become a member of the Banking Union and thus subject to the Single Supervisory Mechanism and other parts of the Banking Union, like the future prospective Single Resolution Mechanism.

Latvia’s prospective euro adoption is a strong signal to the region, to the euro area and to the global community and markets at large. It underlines the integrity of the euro and shows that sustained and stability-oriented policy action generates concrete results.

At the moment, 17 countries have adopted the euro covering 330 million people.
European Union upscales its support for the upcoming elections

The European Union is the major donor to the UNDP-administered Electoral Support Project (ESP) Phase II. The European Union has stepped in to extend a support of Euros 8.4 million for the second phase together with other donors. The multi-donor funded project provides institutional strengthening and professional development support to the Election Commission of Nepal (ECN). The project’s activities are focused around three main areas: (i) strengthening the capacity of the Election Commission of Nepal to function as a permanent, independent, credible and professional institution of governance; (ii) supporting the electoral cycle to ensure electoral processes are conducted in an effective, sustainable and credible manner; and (iii) increasing democratic participation in the next cycle of elections, particularly for under-represented and disadvantaged segments of the Nepali society. Through a signing ceremony held on 29 November 2012, the project formalized the partnership between the European Union, Election Commission of Nepal and UNDP. With the new partnership, the ESP Phase II has enhanced its assistance to the Election Commission of Nepal in its preparation for the upcoming elections.

The biometric voter registration process is an impressive effort on behalf of the ECN and the ESP, and represents a clear initiative to improve the electoral process in Nepal. This is an area where ESP has provided essential technical support and has made clear, value-added technical contributions to the ECN’s reform initiative. Despite the logistical challenges that the operation faced in remote areas of the country, the ECN has registered more than 11 million voters in Nepal, approximately 77 per cent of Nepal’s in-country over-16-years-old population, according to preliminary 2011 census data.

The ECN has taken multiple steps to ensure that the maximum number of voters could be registered, including organizing mobile voter registration campaigns and establishing a continuous voter registration system. In addition, the ECN made attempts to ensure that the voter registry was accurate by implementing a data verification program and opening the list for display in May 2012, through a claims and objections period at Village Development Committees (VDC) and municipal ward offices. It allowed citizens to review their information and submit request for amendments if necessary.

In addition to technical trainings and peer-to-peer knowledge transfer, ESP’s professional development activity has been delivered through a series of BRIDGE trainings, which it implements through a close and effective partnership with IFES and International IDEA. The BRIDGE program has clearly become very popular and institutionalized in the ECN (Nepal has the highest number of accredited BRIDGE facilitators in the region) and its interactive training methodology has been well received. Pre-training and post-training tests administered at the BRIDGE trainings clearly show that there is an immediate increase in participants’ knowledge of the

'I HAVE CONFIDENCE IN THE ELECTION COMMISSION’S WORK'

Meena Chaudhary first heard about the biometric voter registration program through a local FM station. She is confident that the new technology will ensure that voting is done in a fair manner. She has confidence in the Election Commission’s work. She believes that the next election is going to be fair and looks forward to participating in it. She says that getting registered to vote is very important for citizens in today’s democratic Nepal.

'I AM MOTIVATED TO COME BACK TO NEPAL JUST TO CAST MY VOTE’

Hansa Devi Sardar had just received her citizenship certificate from the District Administration Office and didn’t have much idea about biometric voter registration when her husband asked her to get registered for the voters list. She now understands the importance of registering herself and is excited about being able to vote in future elections. She says that being able to vote and choose the right candidate will open up several opportunities in her remote village. She is even motivated to come back to Nepal from her workplace in India just to cast her vote.
topics under discussion. In addition, opening the training program to a wider range of stakeholders has allowed the ECN to broaden its interaction with a more extensive community. Also, one very positive aspect of the BRIDGE training has been an increased enthusiasm by its staff to be part of the ECN – a benefit that could help in reducing the number of ECN officials that seek transfer from the ECN. The BRIDGE program has been implemented for more than 4 years and continues to enjoy strong support from within ECN and its stakeholders.

With ESP support, the ECN inaugurated the Electoral Education and Information Centre (EEIC) on 24 May 2012, putting the newly constructed building and newly installed communications equipment on prominent public display. The center offers the public an opportunity to learn about elections and democratic principles in Nepal through a series of modern and interactive learning methods. Till date, approximately 7,500 visitors have visited the center and taken part in its 90-minute educational program. The EEIC’s functions would not only include ongoing capacity development of ECN staff, but also tasks such as developing training programs and training materials for poll workers, and implementing voter education and information campaigns.

Majority of the EEIC visitors have rated their visit as ‘excellent’ and expressed that they got the opportunity to learn a lot about elections and electoral processes through the center.

ESP has been successful in advocating within ECN on the need for a gender and social inclusion policy to guide the activities of the ECN. The gender mapping report that was prepared by the ESP and ECN draws on international best practice and is a solid foundation for a full-fledged gender policy. A draft gender and social inclusion policy was finalized in consultation with various stakeholder groups (civil society and political parties) and the Commission approved the first draft. The policy now awaits official adaptation by the newly formed Commission. Recognizing the importance of strong national ownership for the effectiveness of any such policy, the ESP is taking forward these activities in close partnership with ECN. The project is also supporting the development of civic and voter education materials that are sensitive to the needs of women and other vulnerable groups.

With the hope that the elections will take place on 19 November, ESP continues to support ECN in its planning and preparatory work to conduct inclusive, participatory and credible elections. Its activities have been appropriate to the need of the ECN and have for the most part focused on value-added technical support.

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**Government's multi-sector nutrition plan piloted with EU support**

While Nepal has witnessed significant improvements towards the Millennium Development Goals in reducing child and maternal mortality rates, the nutrition situation in the country remains alarming. As it stands, 70% of children between 6 and 24 months of age suffer from anaemia, and 41% of children from stunting or chronic malnutrition.

In response to the current situation, the Government of Nepal has adopted a Multi-Sector Nutrition Plan (MSNP) for Accelerated Reduction of Maternal and Child Undernutrition in Nepal (2013-2017), under the leadership of National Planning Commission (NPC). The main purpose of the strategy is to improve maternal and child nutrition, with a special focus on stunting reduction during the ‘critical window of opportunity’ - the 1,000 days from conception until the child reaches 24 months of age. The plan targets indirect causes of malnutrition by involving different sectors from agriculture and education to local development and water and sanitation.

The MSNP will be implemented first in six pilot districts with lead technical support from UNICEF, and with financial support from the European Union. The first districts to launch MSNP were Achham, Kapilvastu and Nawalparasi, being followed Jumla, Bajura and Parsa later this year.

The EU Delegation’s Head of Cooperation, Mr. Luís Navarro addressed the audience in the MSNP launching event at District Headquarters in Kapilvastu on May 16th, emphasizing the importance of multi-sector approach and involvement of all the key government and non-state actors. He also pleaded the National Planning Commission, represented in the event by Member Secretary Mr. Yuv Raj Bhusal, to increase government funding for nutrition, currently standing at modest 0.16% of the budget.

Alongside the MSNP launching event, Mr. Navarro together with EUD Programme Manager Mr. Jussi Kanner had the opportunity to visit some of the EU-supported nutrition-specific interventions carried out by UNICEF in Bardiya and Rupandehi districts.

Bardiya is one of the districts in which UNICEF has piloted a community-based approach to tackle under-nutrition, called Community Management of Acute Malnutrition (CMAM). The idea behind CMAM is to stimulate the understanding, engagement and participation of the target population in prevention, identification and active referral, follow-up and monitoring of children with acute malnutrition. Severe cases are identified by female community health volunteers (FCHVs) and referred to health facilities, while prevention of further cases is targeted through behaviour change communication and counselling.

Another nutrition-specific means to improve infant and young child feeding, was observed in Rupandehi, where micronutrient powders (MNPs) – branded ‘Baal Vita’ – are being distributed to children of 6-23 months of age, to tackle their serious anaemia situation. As is the case with CMAM, also in Baal Vita distribution the female community health volunteers play a key role, ensuring outreach in the communities.

In both districts the European Union Delegation representatives were happy to witness high levels of motivation and commitment among the FCHVs and the staff working at the primary health care centers, health posts and sub-health posts.
First EIB loan of Euro 55 million for the energy sector in Nepal

Both the government and the private sector in Nepal were highly encouraged in May this year following the official signing of a loan agreement with the European Investment Bank (EIB). The EIB’s interest to invest in the power sector in Nepal came at a time when the nation is facing long hours of power outage resulting in low economic productivity.

There are hopes that the power woes of the Nepalese will be ameliorated following the completion of the 140 MW Tanahu hydroproject to be constructed on the upper Seti River.

EIB Vice-President Magdalena Álvarez and Nepalese Finance Secretary, Shanta Raj Subedi signed the finance contract on 7 May, at the Ministry of Finance, exactly a year after the signature of the Framework Agreement between the two sides.

The EIB has granted a EUR 55 million (NPR approx 6.41 billion) loan to the Government of Nepal to finance the construction and operation of the Tanahu hydroproject, according to the contract.

Speaking at the signing ceremony, the EIB Vice-President highlighted that the EIB was delighted to see that its first loan to Nepal will provide clean power to the country and will allow households to enjoy electrical light, children to read after dark, hospitals and schools to function and entrepreneurs to invest and create jobs.

“This loan shows our firm commitment to contribute to a stronger and sustainable dynamism of the Nepalese economy,” she said.

Dr. Alexander Spachis, Ambassador, Head of the European Union Delegation to Nepal, emphasised that the involvement of EIB in Nepal’s economic development will yield positive results in the long run, allowing citizens to experience a significant improvement in their living standards. “Since energy is the key to speeding up social and economic development, the present EIB loan will contribute to help Nepal achieve its development goals in the next couple of years”, he added.

"On behalf of the Government of Nepal and on my own, I would like to express my sincere gratitude and appreciation to the European Investment Bank (EIB), especially to Ms. Magdalena Alvarez Arza, Senior Vice-President, EIB and to the whole team of the EIB, without whose keen interest and enthusiastic support it wouldn't have been possible to sign the agreement,” Secretary Subedi said.

The project will contribute to meet peak electricity demand in Nepal during the dry winter season when the shortages are more acute and will operate as a base load power plant during the remaining period of the year. It will also generate significant economic benefits by providing a clean and reliable supply of electricity and will contribute to reduce the adverse impacts of climate change by displacing more polluting energy sources.

In addition, the project ensures that environmental and social impacts are addressed. The project includes a programme of rural electrification to supply power to 17 villages in the vicinity of the plant. A Community Development programme will be implemented for people living in the area, addressing education, health, gender development, social inclusion, economic development and livelihood activities.

The project will be co-financed by the Asian Development Bank (ADB), the Japan International Cooperation Agency (JICA) and the Abu Dhabi Fund for Development. The EIB funding represents 15% of the total cost of the project. This EIB loan comes under the current lending mandate for Asia and Latin America (ALA IV) and meets EU’s objectives and the general Bank’s mandate for ALA of supporting social and economic infrastructure and climate action.
Photo Feature

Ambassador Spachis welcomes Vice President Parmananda Jha, at the Europe Day 2013 celebrations.

Ms. Jean Lambert, Chairperson of European Parliament Delegation for Relations with the Countries of South Asia interacting with students at the Adarsha, Sauli, Tubek school in Bagmati, Lalitpur during her visit to Nepal in March 2013. Lambert is on the right, class teacher centre, two deaf girls study Jean’s map of the Thames.

Ambassadors of the European Union Member States in Kathmandu join for a photograph with Jean Lambert, Chairperson of European Parliament Delegation for Relations with the Countries of South Asia, at the Europe Day Celebrations 2013 in Kathmandu.

Ambassador Spachis joins Vice President Parmananda Jha for a snap at a function organised in the capital to mark the 20th anniversary of the Lithuanian climber Valdas Vitkauskas’s ascent on Everest in 1993.

The new group of fire marshals at the EU Delegation office pose for a snap.

Participants of the networking event organised in June by the EU-funded Switch Asia Programme join for a group photo.

Ambassador Spachis addressed the national conference entitled ‘Investing in Human Resources for Quality Health Services in Nepal’ in Kathmandu in June 2013. The European Union supported the partners ‘Save The Children’ and Merlin to help the Ministry of Health and Population to devise the ‘Human Resources for Health Strategic Plan’.

Ranjit Shestha (fourth from left), Project Manager at the EU Delegation participating in the inaugural session of the mountain leaders’ training programme.
EU joins UN Habitat, Government of Nepal to build green homes

Under SWITCH Asia call for Sustainable Consumption and Production, UN-Habitat and partners have initiated a three-year ‘Green Homes Project’ in association with both the Government of Nepal and the European Union for the promotion of sustainable housing in the cities of Nepal.


The project aims at advocating a timely departure from conventional construction practices to more environment-friendly practices that focussed on minimizing the consumption of scarce resources such as water, and soil during different phases of the construction process and making a shift towards building green homes.

Speaking at the project launch, Dr. Alexander Spachis, Ambassador and Head of the European Union Delegation to Nepal expressed his satisfaction for being able to support the conservation of the environment through the green homes project. He wished for the successful implementation of the project. He hoped that it will contribute to mitigate the adverse impacts of climate change and reduce poverty through the creation of green jobs, and promote economic, social and environment development.

At present, an Environment Action Programme with the Motto “Living well, within the limits of our planet” is under discussion at the EU. This programme is expected to guide the EU’s environment policy up to 2020, enhancing the EU’s ecological resilience and transforming the EU into an inclusive and sustainable green economy. In line with this objective, “We believe this effort will contribute to Nepal becoming a better and healthier place to live, in line with the proposal for an internal EU Environment Action Programme 2020,” Dr. Spachis said in line with this objective.

Mr. Kishore Thapa, Secretary, Ministry of Urban Development, Government of Nepal thanked European Union for its generous and continued support and UN-Habitat and partners for taking up this important development agenda which will help the government to address one of the important issues incorporated in the National Shelter Policy, 2012. Offering his support to the effective implementation of the project, Mr. Thapa thanked the EU and UN-Habitat for bringing up this green agenda. He said that the Government of Nepal was looking forward to mainstreaming the best practices coming out from this project in the sector of urban development.

Mr. Bhushan Tuladhar (Regional Technical Advisor of UN-Habitat), Chairperson of the programme highlighted the importance of the project in the context of Nepal. Mr. Tuladhar also mentioned that collaboration with private sector is very important to scale up this green homes approach successfully.

More Projects Under Switch Asia
Nepal has been a key focus of the Switch-Asia programme. Presently there are four on-going projects in the country. The other three projects are: 1. Lead paint elimination (chemical sector, cleaner production); 2. Sustainable and efficient industrial development (environment management systems); 3. Vertical Shaft Brick Kiln and SCP (Sustainable Construction Practices); and Green Homes; promoting sustainable housing in Nepal. The total funding for these projects is EUR 6.2 million and new projects are under evaluation.