

## Ambitions, Realities and Challenges: A Review of European Development Cooperation

Organized by 

November 5<sup>th</sup>, 2009

C3 – Centrum für Internationale Entwicklung, Alois Wagner Saal  
Sensengasse 3, 1090 Vienna

Vienna, January 2010

*financed by*

 Austrian  
Development Cooperation

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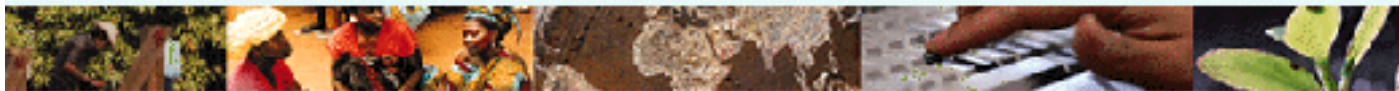
### IMPRINT

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## **PREFACE**

This documentation covers the following sections of the 'Ambitions, Realities and Challenges: A Review of European Development Cooperation' conference: first, the main arguments of the key note lecture 'EU as Actor in Development. New Roles, New Challenges' by Professor Jan Orbie (Ghent University); second, the main statements from the two Commentaries by Michaela Ellmeier (Austrian Foreign Ministry) and Johannes Trimmel (Light for the World); and third, some key discussion issues. All three stages as a whole provide a critical review of past and present European Development Cooperation and a broad discussion of current challenges.

The following text is not a conference transcript (thus not literally) but a summary/rework of the main arguments, derived from the participants spoken words.



# AMBITIONS, REALITIES AND CHALLENGES

## A Review of European Development Policy

Für die Europäische Union und somit auch für die europäische Entwicklungszusammenarbeit stehen in den nächsten Jahren sehr wichtige Entscheidungen an. Nach den im Sommer 2009 erfolgten Wahlen zum Europaparlament und im Hinblick auf den bald in Kraft tretenden Vertrag von Lissabon, sind sowohl umfassende Reformen der europäischen Institutionen als auch wichtige Personalentscheidungen vorzunehmen. Hinsichtlich der europäischen Entwicklungspolitik sind für nächstes Jahr wichtige Monitoring- und Reviewberichte vorgesehen; unter anderem das Monitoring der neuen Entwicklungsinstrumente, des europäischen ‚Code of Conduct‘ für die Arbeitsteilung innerhalb der EU-Entwicklungspolitik, oder der finanziellen Selbstverpflichtungen für die öffentliche Entwicklungszusammenarbeit (ODA) der EU-Mitgliedstaaten, die 2010 im Durchschnitt 0,56% des BNE betragen soll. Basierend auf den Ergebnissen dieser Beobachtungen muss die Ausrichtung der europäischen Entwicklungszusammenarbeit entweder in ihrer derzeitigen Form bestärkt oder reformiert werden. Mit Blick auf das Ende des aktuellen mehrjährigen Finanzrahmens im Jahr 2013 und dem Auslaufen der Millennium Entwicklungsziele (MDGs) zwei Jahre später muss die langfristige Weichenstellung der Europäischen Union hinsichtlich der Entwicklungspolitik reflektiert werden. Als Basis für Schwerpunktsetzungen oder sogar für eine Neuausrichtung der Europäischen Entwicklungspolitik sollten Erfahrungen aus deren bisheriger Praxis dienen.

Ziel der Veranstaltung ist es, aus einer Reflexion vergangener Prozesse und aktueller Herausforderungen Kriterien zu diskutieren, nach denen sich die EU-Entwicklungspolitik in Zukunft stärker ausrichten sollte. Für eine derartige Beurteilung können Politiken nicht isoliert verstanden werden. Entwicklungspolitik – wie viele andere Politiken – ist ein umkämpftes Terrain. Deshalb ist es wichtig den weiteren Kontext, in dem Entwicklungspolitik stattfindet, in den Diskurs über eine mögliche Neuausrichtung einzubinden.

### PROGRAMM

- |              |   |              |  |
|--------------|---|--------------|--|
| <b>17.30</b> | <b>Begrüßung</b>  | <b>18.45</b> | <b>Kommentare zu den Vorträgen</b><br>Michaela Ellmeier (BMeiA)<br>Johannes Trimmel (Licht für die Welt) |
| <b>17.35</b> | <b>Einführung:</b><br><b>Between Ambitions and Realities.</b><br><b>A Review of European Development Policy</b><br>(Simon Hartmann, ÖFSE) | <b>19.00</b> | <b>Diskussion</b>  |
| <b>17.50</b> | <b>The European Union as an Actor in Development:</b><br><b>New Roles and new Challenges</b><br>(Jan Orbie, Universität Gent)             | <b>19.30</b> | <b>Ausklang des Abends mit einem Glas Wein</b>   |
- Moderation: Margarita Langthaler (ÖFSE)*

**Datum:** 5. November 2009  
**Zeit:** 17.30-20.00 Uhr  
**Ort:** C3 – Centrum für Internationale Entwicklung, Alois Wagner Saal (UG)  
1090 Wien, Sensengasse 3  
**Anmeldung:** Ingrid Pumpler, i.pumpler@oefse.at; 01/317 40 10-100  
*Conference language: English*

Eine Veranstaltung der

**ÖFSE**

finanziert durch die

Österreichische  
Entwicklungszusammenarbeit



## ReferentInnen

### **Michaela Ellmeier**

Mitarbeiterin der Abteilung für multilaterale Entwicklungszusammenarbeit/VII.1a (Zusammenfassende Behandlung der EZA-Angelegenheiten im Rahmen der EU), Bundesministerium für europäische und internationale Angelegenheiten.

### **Simon Hartmann**

Wissenschaftlicher Mitarbeiter der Österreichischen Forschungsstiftung für Internationale Entwicklung (ÖFSE); Arbeitsschwerpunkte: Europäische Entwicklungspolitik, Rolle des Staates im Entwicklungsprozess und Wirksamkeit von Entwicklung.

### **Margarita Langthaler**

Wissenschaftlicher Mitarbeiter der Österreichischen Forschungsstiftung für Internationale Entwicklung (ÖFSE); Arbeitsschwerpunkte: Bildung - Forschung - Entwicklung.

### **Jan Orbie**

Professor für European Union Politics am Centre for EU Studies, Department of Political Sciences, Ghent University, Belgium. Herausgeber des Buchs „Europe's Global Role. External Politics of the European Union“ (2008) und forscht derzeit intensiv zu den EU-Außenhandelsbeziehungen mit Entwicklungsländern.

### **Johannes Trimmel**

Direktor (International Programs and Policies) der Europäischen Organisation „Licht für die Welt“ und Vizepräsident des „International Disability and Development Consortium“.

**KEY NOTE LECTURE POWERPOINT SLIDES**

# THE EUROPEAN UNION AS AN ACTOR IN DEVELOPMENT

## NEW ROLES AND NEW CHALLENGES

**Jan Orbie**

Centre for EU Studies  
Ghent University

ÖFSE, Vienna  
5 November 2009

Ambitions, Realities and Challenges.  
A Review of European Development Policy



**1. EU DEVELOPMENT IN THE  
BROADER PICTURE:**

**WHAT ROLE FOR THE EU  
IN THE WORLD?**

# EU AS A TRADING POWER

- EU = economic giant
- Free trade = best recipe for development
- Trade agreements = leverage for reforms (conditionality)
- *EU development policy without a budget*
- *But: development objectives?*

# EU AS A NORMATIVE POWER

- EU = ‘mini UN’ or ‘maxi Scandinavia’
- Great ideas, but no real power
- Exporting ‘EU model’
- Fostering multilateralism
- *Development through norm diffusion*
- *But: Irrelevant? Soft power?*

# EU AS A GRAND POWER

- United States of Europe, Europe Puissance
  - Full-fledged superpower
  - Ability and willingness to use military force
  - *Development embedded in foreign/security policy*
  - *But: poverty reduction?*

# EU AS A REGIONAL POWER

- EU = magnetic force
  - Exporting *acquis communautaire*
  - Enlargement and neighbourhood policies
  - *Development of a circle of friends*
  - *But: beyond the near abroad?*

# EU AS A ISLAND

## □ A 'Swissified' Europe

➤ Introspective and indifferent

➤ Dominated by domestic issues

→ *Development not a main issue, except to legitimize European integration project*



## 2. EU DEVELOPMENT POLICY?

A RECENT, CONTESTED AND  
CHALLENGED AREA

# RECENT

- Since Treaty of **Maastricht** (1993)
  - ▣ Scandals and growing pains
  
- Only 'developed' since **2000s**
  - ▣ Institutional reforms and management (CSPs, EuropeAid, devolution)
  - ▣ Policy reforms (EU Development Policy Statement, European Consensus on Development, Policy Coherence for Development, EU-Africa Strategy etc)

- 
- A **shared** competence with member states
    - ▣ ‘Complementarity’
  
  - Some **development-related aims** remain (partly) at the national level
    - ▣ E.g. promoting the ILO ‘core labour standards and the ‘social dimension of globalization’

# CONTESTED


- Powerful coalition of **member states suspicious** of a stronger EU development role
  
- 1. Aid = tool for national foreign policy (France?)
- 2. Aid = to be addressed at UN level (Scandinavia?)
- 3. Aid = something we do better ourselves (UK?)
- 4. Aid = not a priority (CEECs?)
  
- 5. Except: europhile countries such as Belgium?

# CHALLENGES

## □ A. Level of aid

- Collective EU commitment to 0.7% target, but 0.56% in 2010?
- “ODA levels are on the increase but by and large insufficient to reach EU and international agreed targets” (Commission 2009)
- Large divergences within EU

	EU-15		EU-10	
	Min. per member state	Collective average	Min. per member state	Collective average
Monterrey (2002) → 2006	0.33%	0.33% 0.39%	-	-
Millennium+5 (2005) → 2010 → 2015	0.51% 0.7%	0.56% 0.7%	(0.17%) 0.33%	0.17% 0.33%

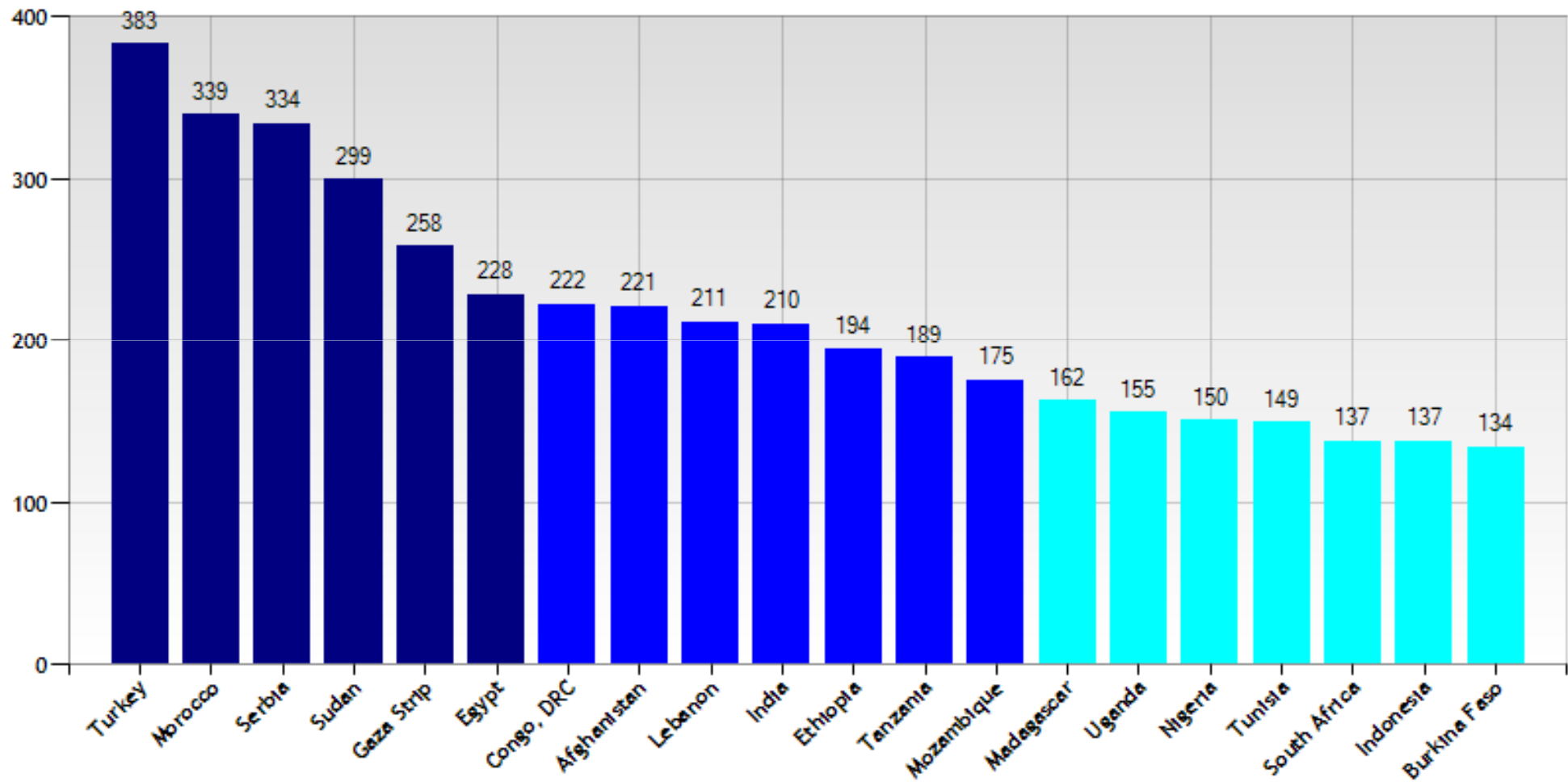
- 
- ▣ But recent emphasis on
    - ‘Aid effectiveness’
    - ‘Non-ODA flows’
      - ‘ODA-plus’, ‘innovative sources of finance’
      - Charity, investment, remittances, technology transfer...
    - Comprehensive approach, or excuse for failing ODA commitments?
    - Open the door for broader ODA definition?




## □ **B. Purpose of aid**


- Poverty reduction and MDGs are central
- But aid also used for...
  - Debt relief ('virtual aid')
  - Middle-income countries
  - Near abroad

## EC bilateral ODA, net...



Source: EU donor atlas 2008 (figures 2004)

- 
- Asylum
  - Students
  - Environment
  
  - Security objectives?!
    - = **securitization** of EU aid
    - e.g. African Peace Facility

- 
- “Further work needs to be done to tackle the sensitive issue of cooperation in the framework of **peace and security related activities** concerning developing countries. A number of those activities are not covered by the current ODA-definition of the OECD/ DAC. Discussion in the OECD/ DAC needs to continue to reflect on this situation that concerns, amongst others, also the Africa Peace Facility, funded by the EDF. Another area concerns **migration**, where the survey with the Member States shows that more reflection is warranted to better articulate the links with ODA.”  
(European Commission 2009)


## □ **C. Coherence with non-aid policies**

- Impact of *other* policies on development aims
- **12** priority areas identified in 2005
  - Trade, environment, climate change, security, agriculture, fisheries, social dimension of globalisation, migration, research and innovation, information society, transport, and energy
- But 'new approach' (2009): focus on **5** priorities
  - Climate change, food security, migration, intellectual property rights, and security



## □ **D. Results**

- Until now effective reforms of:
  - Structure (institutional)
  - Strategy (new policy orientations)
- Future challenge: Implementation on the ground?
- Result-driven aid policy... or is the EU merely a 'bodybuilder'?

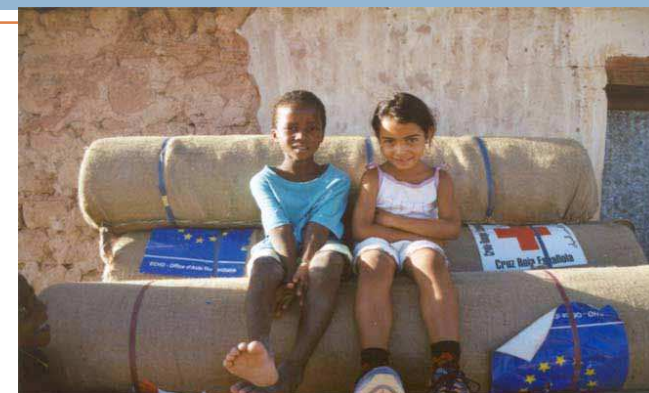


### 3. A DUAL ROLE FOR THE EUROPEAN UNION

MORE EUROPE  
BUT LESS EU AID?


# I. EU AS A DISTINCT DONOR

- 27 + 1 = 28 European donors
- European Commission as a **donor in its own right**
  - ▣ Eg. through EuropeAid, ECHO
- EU aid projects, in particular where the EU has a '**comparative advantage**' (scale effects)
  1. Linking trade-development
  2. Supporting regional integration
  3. Transport
  4. Supporting macro-economic policy and social services
  5. Food security and sustainable agricultural development
  6. Institutional capacity building (good governance and rule of law)



## II. A EUROPEAN COORDINATOR

- 27 donors but **1 European approach**
  
- Forging a consensus in EU member states on
  - ▣ **Aims** (e.g. MDGs, social dimension of globalization, linking climate change and devt, untying aid, aid effectiveness)
  - ▣ **Approaches** (e.g. peer review on ODA figures, joint multi-annual programming, code of conduct, PCD reports, ODA reporting standards, joint CSPs, Donor Atlas)
  - ▣ **Actions** (e.g. EU-Afrika Infrastructure Trust Fund; Vulnerability FLEX mechanism)

- 
- Increasingly EU '**norm maker**' (not norm taker)
  - 'Power of the purse' less relevant for the EC (about 10% of EU aid) but **coordinating role** increasingly important (soft integration)

# DISCUSSION

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## □ Empirical

- Will 'soft integration' eventually lead to a larger role for the EU in development?

## □ Normative

- Is this a desirable evolution?
- What is 'added value' of the EU (if any) compared with other (traditional) donors and (multilateral) coordinators?

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## CONTENTS OF THE KEY NOTE LECTURE AND COMMENTARIES

**Orbie, Jan**

### **Key note lecture: EU as Actor in Development. New Roles, New Challenges**

What kind of Development Policies does the EU have? What is the European's role in the world? The role is not clear. There is still ambiguity about the EU role, even with the Lisbon Treaty coming into force.

#### **I. General, very simplified concepts**

- EU as a trading power (probably most evident)
  - o Economic power, ability to negotiate in trade relations
  - o Promoting free trade = promoting development (free trade as best recipe)
  - o Trade as a lever to stimulate reform in other countries (political conditionality)
  - o Development policy without development budget, stimulate development with trade
  - o Danger/difficulty: is development the real topic or do other dynamics come into play? For example economic interest.
- EU as a normative power
  - o Like Scandinavia on a continental scale, UN on European scale
  - o Objective: export European models such as the Lisbon model, social integration, balanced integration, regional integration. Development through norm diffusion, export norms which are claimed to be universal.
  - o Danger/difficulty: how important is soft power? European norms or cosmopolitan norms? Advantage of EU as a development actor over individual member countries: it has no colonial ties.
- EU as a grand power
  - o United States of Europe, European puissance, EU as fully-fledged superpower, using its political, military capability,... An EU which is willing to use force in international relations
  - o Development policy as an instrument of foreign policy. Danger/difficulty: are foreign policy objectives truly focused on poverty reduction?
- EU as a regional power
  - o Exporting its *acquis communautaire* to close neighbours
  - o A reasonably effective policy to date
  - o Danger/difficulty: development only limited to close friends and neighbours!

- EU as an island
  - o A swissified Europe. An introspective Europe seen as principally concerned with saving agriculture, social system, ...
  - o Development is not so important for the legitimisation of the integration project. European project is clearly still in crisis, but there is quite a lot of support for EU as a development actor from people in the member states.

Each scenario contains elements of the EU's general role and its development role. The scenarios reflect some basic differences between EU member states, but also differences within EU member states. An important question is: what will the EU look like in five to ten years, or even in 50 years? The EU is not a development agency as such, the role will be a consequence of the EU's global role in tomorrow's world

## II. EU Development Policy? A new, contested area facing challenges

- EU development is quite a new area
  - o Since the Maastricht treaty, development cooperation has been a separate chapter in European politics. Earlier the Community had relations with developing countries, but through the back door of trade policy (several trade and cooperation agreements).
  - o Development policy was far from ideal in the first few years after 1993 (scandals, criticism for being heavily bureaucratized and inefficient). In the first decade almost nothing happened. By the end of the 1990s, more substantial initiatives were being taken (it took almost ten years to develop European Development Policy). There have been reforms on two levels
    - Institutional Reforms: Europe Aid, CSPs, devolution (bigger role for the delegations in the field), especially under Commissioner Nielson
    - Policy reforms : Consensus, Statement, PCD, EU-Africa Strategy, etc., especially under Commissioner Louis Michel
  - o Development Policy is the only shared competence with member states (complementarity). From a legal perspective the EU can act, but not instead of member states. In other policy fields such as trade policy the EU has exclusive competence.
  - o Similarly, some of the objectives the EU wants to promote are also (partly) in the realm of member state competences, for example
    - Human Rights and Core Labour Standards: the EU started a campaign to promote labour standards such as freedom of association, abolition of child labour, etc. in the contracts of the ILO (promoting the social dimension of globalisation), although internally the EU does not always have the legal capacity to negotiate core labour standards, to ratify ILO agreements on labour standards, to enforce labour standards, to monitor labour standards,...
    - EU development issues are contested by member states (and within member states), for various reasons:

- Several member states are not enthusiastic about transferring more competences in development to the EU. They consider aid as an element of foreign policy that must remain largely a national issue (e.g. France?)
- Others think that poverty eradication should be pursued mainly at a UN Level. The main question is why not channel aid through the UN, the World Bank or at the IMF level (e.g. Scandinavia?). On this issue, it is interesting to note that
  - the leaders in EU development policy in quantitative figures (the five leaders being Sweden, Denmark, Netherlands, Finland, Luxembourg) channel the majority of their aid through the UN
  - the stragglers (those countries which spend less ODA) go through the European Commission
- Others think that poverty eradication is an important objective but believe we do best that which we do ourselves. They claim to do a better job with their own institutes (eg the UK?)
- Other countries understandably do not see development policy as a priority. They view other policy fields as priorities for budget spending (eg new member states?)
- Summing up, there is opposition to EU development policy from some powerful member states and from NGOs as well. All the above attitudes show that the power base of EU development policy is rather weak.
- Considerable challenges for the EU development policy
  - The level of aid. There have been three collective objective stages: 2006 0.39%/GNP, 2010 0.56%/GNP and 2015 0.7%/GNP. In 2009 the Commission announced that ODA levels were increasing but not quickly enough to reach the 2010 target. Nevertheless there is a huge variety of levels within the EU; some have reached the target, others are still very far from reaching target. Some thoughts on the ODA/aid flow discussion:
    - The level of aid is very important, but the effectiveness of aid is important as well. It is not just quantity but also quality of aid that counts. (cf Paris Declaration)
    - Over the last few months, the Commission has started to discuss non-ODA flows (ODA plus and innovative sources of financing, e.g. remittances, foreign investment, technology transfer, private charity organisations). This has potential because it is a more comprehensive approach. Consider for example the issue of remittances: make sure that there is a good framework for remittances to ensure that they proceed in an efficient, development-friendly manner. This is a valid topic for discussion and has a lot of potential, but it can also be a good excuse for not reaching the ODA targets. Recently a lot of debate at OECD level about the definition of ODA arose from this discussion. Is the door now open for a broader ODA definition? Is ODA conservative or old-fashioned?
  - Purpose of aid: generally, poverty eradication and MDGs (more broadly) are central issues, but there is also

- Debt relief ('virtual aid'), especially in cases such as Nigeria, Iraq, ... In this case development aid is little more than a transfer of financial resources from the Ministry of Finance to the Ministry of Development in the donor country (although developing countries are happy to see their debts relieved).
- Flows to middle-income countries. A lot of aid does not go to the LDCs or to the low-income countries, but targets middle-income countries and countries which are geographically close to the EU. The top three net bilateral ODA recipients are Turkey, Morocco, and Serbia.
- Asylum – costs of housing, ...
- Foreign students – scholarships for students from developing countries, ...
- Environment – environmental issues, initiatives that address developing countries (climate change)
- Security/military mission to developing countries. See for example the African Peace Facility which was financed by the EU Development Fund. This provoked a discussion about the financing. What was the purpose: money for development or money for CFSP/ESDP? Considerable ODA was spent on Afghanistan and Iraq in recent years. Was this all about poverty eradication?
- Non-development policies that impact on developing countries (coherence with non-aid policies)
  - e.g. supporting agricultural production in developing countries while sugar, European beef, etc. is subsidised by the EU budget and sold into developing country markets; e.g. health v. intellectual property rights; e.g. trade liberalisation v. project aid
  - In 2005, 12 priority areas were identified for Policy Coherence for Development. The new approach proposed in September 2009 focused on five priorities: climate, change, food security, migration, intellectual property rights, and security. Important note: trade is now one of the priority sectors. This issue changed during recent Council discussions on a Commission proposal; see the commentary chapter in this documentation). What about arms exports and other issues which are also important in terms of Development Cooperation?
- Results to date
  - Institutional reforms brought more strategic focus and efficiency in donor issues
  - What about implementation of development policy on the ground? This is the main challenge for the next few years: implementation and coordination of European aid on the ground. Is the EU driven by results or is it merely a 'bodybuilder' (meaning that its visible strengths – being the largest donor and having its own institutional machinery for development - would be the priority, and questions of aid effectiveness and usefulness would be secondary)?

### III. What can we expect from the EU? More Europe but less EU aid?

On the one hand the EU is a coordinator of member states' approaches to development (27+1), on the other it is also a donor in itself in addition to the EU member countries (just another donor: 27+1). The role as coordinator seems to be becoming more important, while the role as donor will become less important in the coming years

- EU as a donor: there may be areas of comparative advantages for the EU. The European Commission has defined areas of expertise such as
  - o linking trade and development
  - o supporting regional integration
  - o transport
  - o supporting macro-economic policy and social services
  - o food security, sustainable agricultural development, institutional capacity building (good governance and the rule of law)
- EU as a coordinator in development (in these issues the Commission has been quite successful in recent years), meaning that it
  - o seeks to ensure all member states look in the same direction
  - o stimulates a Consensus in the EU capitals
  - o ensures the norms and the views that the capitals have are more or less complementary
  - o forges a normative/strategic consensus between EU member states about the shape of development policy. This is about
    - Aims/areas of importance: e.g. MDGs, social dimension of globalisation, linking climate change and development, untying aid, aid effectiveness
    - Approaches (EU does not have many competences in this area): e.g. systems of peer review on ODA figures (name and shame methods – not binding), joint multi-annual programming (EU programmes and member states can join co-financing EU development programmes), EU Code of Conduct, PCD reports, ...
    - Initiatives: e.g. EU-Africa Infrastructure Trust Fund; Vulnerability FLEX mechanism.
- For a long time the EU had no distinct foreign policy or development policy. It merely translated norms that came from elsewhere (IMF, World Bank, UN, OECD-DAC...) (EU as norm-taker). Now Europe is trying to develop a distinct European approach to development (EU as norm-maker).
- The "Power of the Purse" (approx. 20 %) may become less relevant at the Community level.

#### **IV. Questions for Discussion**

- Empirical
  - o Will 'soft integration' (trying to speak the same language, trying to have the same approaches, trying to collaborate in the field) work? The EU does not have many strong binding competences in development.
- Normative
  - o What is the 'added value' of the EU (if any) compared with other donors and coordinators? Wouldn't the UN, IMF, World Bank be more suitable for this role?
  - o Should we go back to the member states on the one hand or to the multilateral organisations on the other hand?

#### **Michaela Ellmeier, BMeiA**

#### **Comments**

##### **I. Positive developments in EU Development Policy**

- The EU Code of Conduct
  - o A document that is taken seriously, also in the field
  - o There has been progress on this issue. But is this progress enough?
- The EU is increasingly speaking with one voice  
(e.g. at the Financing for Development conference in Doha 2008, the EU spoke with one voice and played a very constructive role)
- Efforts in PCD
  - o New Council conclusions on PCD in November 2009: instead of concentrating on 12 the EU will concentrate on five priority sectors The 12 sectors are still valid but the EU will focus on five priority areas and try to achieve more progress within these.
  - o The five priority areas are: trade and finance, climate change, food security, migration and development, and security and development.
- Aid efficiency
  - o Progress has been made with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action
  - o Ownership is now taken more seriously.

##### **II. Challenges**

- How development-friendly will the new Commission and the new set-up under the Lisbon Treaty be? The new organisational structure is currently being discussed. Some member states prefer a strong Directorate General for Development (responsible for EDF and DCI), others want the EU External

Action Service to have a leading role in defining development cooperation strategies. The main question is whether development policy will remain a policy area with poverty reduction as its main objective or whether it will be directly subordinated to foreign policy.

- PCD will be an extremely important issue. It is a highly political topic and quite often there is a conflict of interest. The EU food facility, which was introduced in 2008, serves as an example. Due to objections from agriculture and finance ministries, it was not possible to finance the food facility out of reserves from the agriculture budget line, as proposed by the European Commission. This example shows that development cooperation is not a priority and that it is difficult to achieve policy coherence for development.
- Aid efficiency: as mentioned, there has been some progress in this area but instead of lowering the workload many partners claim that so far the workload has increased..
- Division of labour: progress can be seen, but there is not enough political will to reduce the number of priority sectors and countries in a coordinated way. E.g. even Sweden reduced its number of priority countries from about 70 to 30 without coordinating with other member states.
- ODA targets: Austria will not reach the target for 2010. There is serious doubt whether the EU will reach its ODA commitment for 2010 (on average 0.56% of GNI). So far only a small number of member countries have officially stated that they will not reach their goals, but according to an internal estimate about 17 countries might not meet the ODA Commitments.
- On ambitious objectives such as "eradication of poverty", not meeting our objectives means that our credibility is at stake. But if we do not demand the impossible, we will not achieve the possible! Therefore we should continue to have high objectives allowing us to draw the attention of decision-makers to the political commitments that have been made.

## **Johannes Trimmel, Light for the World**

### **Comments**

- I. Key question: what is the position of development cooperation in Europe?**
  - Development cooperation in the context of the EU as an external actor, in the Constitution as well as in the Lisbon Treaty – development cooperation forms a distinct part of the EU's role as an external actor, situated between
    - o the CFSP
    - o the trade policy
    - o international organisations

- some other areas such as migration, climate,...
- The EU cluster of cooperation activities with third countries includes development cooperation, economic cooperation and humanitarian aid
- Most importantly, development cooperation is an independent policy area with its own objective: the eradication of poverty.
- Under the Lisbon Treaty, the EEAS will be established combining the Commission and the Council's external relations. The EU delegations will become EU embassies (diplomatic staff of member countries will be integrated into this service). From a current perspective, development cooperation is excluded from the EEAS and thus the competences will remain in the Commission (currently, but no one knows how this will develop). Details of EEAS organisation and functioning will be finalised by April 2010.
- How is the new Commission structured? Nobody knows how the new Commission will be organised; so far we have a DG for development dealing with policy for ACP countries, DG Europe Aid dealing with the implementation of the project (operational arm), DG for external relations (will move to the European External Action Service) and DG Echo for humanitarian aid. It is certain that this structure will change in the new Commission which will be constructed over the next few weeks; rumours have circulated that DG Trade could be the lead DG for all external affairs. (Development cooperation under trade issues would be disastrous). Important questions are: what will the new portfolios of the Commissioners look like? Who are the people in the Commission? Which interest will win? Will trade win (development has different objectives from trade), will the CFSP win, or will other interests win (interests that are higher on the political agenda)?
- A major problem is that development policy is not an issue that is debated in a political context (we talk about policies and implementation or aid effectiveness but we do not debate development policy politically).

## II. Implementation

- Shared competences: both the Commission and member countries have competences. There is conflict between central and national interests making compromise difficult, and it is very challenging to bring them all under one umbrella.
- Currently, there would be little support for transferring all development issues to the EU level.
- In the EU's role as Coordinator there are many strategies to implement (effectiveness, EU-Africa Strategy, ...) The main problems here are that coordination and harmonisation processes are very slow and the necessary will is lacking
  - Is there the will for a complementary and coordinated approach? Do member states really want to be coordinated?

- Any serious approach needs political will, trust and shared perspective, all at the same time. (We are currently a long way from reaching this stage).
- And who is really caring for the poor and excluded people in the developing countries? There are serious doubts whether this is the most important question for the people involved, otherwise we would have moved much faster in this process.

### **III. Actors and role of the civil society?**

- NGOs are either contractors or independents (only small budget line, non-state actors). Political actors force civil society to be obedient. That means "do what is wanted or required and don't ask too many questions. Otherwise we won't talk to you anymore".
- When will we really achieve a meaningful dialogue between NGOs and political actors and other actors who are important for development cooperation?
- In the past, some people knew where to go and you had to join them. Is there no other way to go? Who decides where the road is built and how it is built and who is involved in the decision-making process? What kind of approach will achieve a meaningful dialogue between North and South?
- What is the role of the civil society? Important to overcome the North/South Division. There is only one international political system; the effects might be different, but the processes are pretty much the same.
- We have to overcome the division between internal politics and external politics. When we talk about social protection in Europe, it is also an issue for the world!! We really have to think global and act international! This would be a major step forward!

## **DISCUSSION**

### **On challenges for Development Policy in general**

Those who implement development policy and those who experience the effects of the policy are not in the same political entity. Drawing on the example of the EU, those who receive EU development aid do not live and vote within the European Union. That makes the challenges in development cooperation even more difficult than in other policy areas. Hence the major challenge for EU development policy is to attract broad public support for development policy.

### **On EU trade policy and Development**

#### **I. On Fair Trade**

Fair trade is in one of the first articles of the Lisbon Treaty; previously free trade and economic integration were objectives. Now free and fair trade has become one of the European external objectives. However the approach does not go beyond soft law (not legally binding). But it depends on how you define 'fair trade'. In a sense, you could say that the EU used to have a fair trade regime, the banana regime and sugar regime which provided relatively high guaranteed prices. It achieved a regulated price above world market prices. An important point here is how you define fair trade: high prices, sustainable development or it is about no monopolies and fair competition?

#### **II. On the integration of EU development policy into EU trade policy**

Trade's first objective is not the eradication of poverty; there are other objectives linked to it. The primary objectives are different. The main danger is for excluded people who are far removed from participating in trade. They are no longer the main focus, and other interests are predominant. The important question is whether development will be subordinated to trade. On the one hand development policy with ACP countries is an issue for DG Development. On the other hand trade relations with all countries are an issue for DG Trade. From an institutional perspective, DG Trade is currently the strongest sub-system of the European Union.

#### **III. On the future role of the EU. Which scenario is most likely (for an overview on the scenarios: see main lecture)**

Some elements of each role/scenario could currently be found in the European Union. In the future the regional power approach would be a very likely scenario. The EU neighbourhood includes strong interests such as political security and energy requirements. The regional approach is therefore a rather self-centred approach. Moreover the trade and development link will always remain very strong.

## PHOTOS

