

Why the EU is not yet a mature development partner

Nils-Sjard Schulz

>> At the heart of current global development policies, the partnership paradigm shows how donors and developing countries relate to each other: on the basis of joint agreements on individual and mutual commitments. The partnership paradigm helped to overcome aid fatigue and disenchantment with the often disastrous outcomes of the previous paradigm; the Washington Consensus and its Structural Adjustment Programmes. Initiated with a rethinking at the DAC level and new policy frameworks at the World Bank, donors and recipients of aid (re-dubbed ‘partner countries’) engaged in the design of the new development architecture, clarifying aims (in the 2000 Millennium Development Goals, which include a global partnership for development), resources (in the 2002 Monterrey Consensus) and practices for delivery (in the 2005 Paris Declaration). More consistent leadership of the developing countries and better donor contributions to their development processes – within a strengthened mutual accountability – have helped to create a better partnership and have ultimately enhanced development results.

Almost a decade after the Millennium Declaration, the world has changed significantly and so have development partnerships. During the Accra High-Level Forum in 2008, both increasing horizontality in the policy-making process and greater inclusiveness towards non-traditional actors and modalities (such as South-South and triangular cooperation) was achieved. Institutionally, these high-level agreements have been translated into a parity-based platform hosted at the DAC (the Working Party on Aid Effectiveness, WP-EFF) and a new multilateral mechanism at UN-ECOSOC (the Development Cooperation Forum, DCF). In both fora, donors and partners are encouraged to agree on best practices and standards, testing the new

HIGHLIGHTS

- Development partnerships are inspiring a progressing global governance;
- Partnership with the South is key to the EU’s values as an international actor;
- After years of looking inwards, the EU is now bound to become an adult partner for the developing world.

»»»»» global governance of development. Furthermore, horizontal partnerships among Southern countries, often linked to good-fit technical cooperation, have been flagged by the Accra Agenda for Action and the Doha Declaration as essential for achieving development.

In the broader picture, the economic and financial crisis has revitalised multilateral and global decision-making. At its Pittsburg meeting in September 2009, the G-20 opened a critical space for both rich and emerging economies to 'turn the page on an era of irresponsibility' and to 'act together to generate strong, sustainable and balanced global growth'. Along with those already included in the previous G8+5 formula, developing countries such as Argentina and Indonesia are also part of the team which decides how to save the world from a global depression. Facing a crisis of unprecedented dimensions, partnership between the rich and the not-so-rich is inspiring a more inclusive global governance architecture.

Despite this progress, huge challenges remain, especially in the development agenda. The achievement of the MDGs has entered a critical stage in the run up to 2015, potentially jeopardising the legitimacy of aid as we currently understand it. A triple crisis (economic, climate and security) puts development efforts under extreme stress in terms of both resources and outcomes. An asymmetric division of power still affects the relations between North and South in all areas of development policy-making and implementation. Here, donors often fail to live up to their commitments to deliver more effective aid. Additionally, the voices of less and least developed countries remain difficult to hear in the uproar of the new 'effective multilateralism'.

**THE EU'S PARTNERSHIPS:
THE TEEN YEARS ARE PASSING**

As it matures as a global actor, the EU can draw on processes and development policies embedded in the idea of partnership. However, its

often inward-looking *modus operandi* has so far prevented discourse and philosophy from being fully translated into reality, especially vis-à-vis developing countries. The good news is that the Lisbon Treaty claims that the EU will 'develop relations and build partnerships with third countries, and international, regional or global organisations' upon the principles and values that inspired the creation and development of the Union (para. 21.1). In other words, roughly 18 years after the Maastricht Treaty, the EU will now reach 'adulthood' as a partner.

Partnership is one of the most cherished concepts when EU policy-makers meet with others to decide on development policies. The most advanced form of partnership can be found in the Cotonou-based contractual framework of trade and development cooperation with the 77 post-colonial countries currently gathered under the umbrella of ACP (Africa, Caribbean and Pacific). Interim Economic Partnership Agreements (EPAs) are now in place with these partner countries. At the global level, the 2005 European Consensus on Development recognises the role of the EU in a 'share[d] responsibility and accountability for their joint efforts in partnership' with developing countries whose ownership over development policies is to be respected and fostered. At the regional level, the 2007 Joint Africa-EU Strategy lays the foundation for a multi-dimensional 'strengthened political partnership and enhanced cooperation at all levels' and a recent communication elevated the relationship with Latin America to the level of 'global players in partnership'. The EU has also been very vocal on partnership as the basis for aid effectiveness, referring in its negotiation guidelines to 'equal partnership' and 'strengthening the voice of partner countries'. It even clashed with the rather conservative positions of the US and Japan in the Accra negotiations.

However, the reality behind the rhetoric is often quite different. The EPA process has come under fire for imposing EU interests, both explicitly and implicitly, and for damaging

regional integration processes. Although the Joint Strategy is a big step forward, Africa-EU relations still suffer from asymmetry, especially at the country level. It appears that both parties are finding it difficult to live up to their sides of the bargain, with Africans demanding greater equality and Europeans requesting improvements in democracy and governance in Africa. In particular, co-owned policies such as migration and coherence, for example in the fishery sector, remain critical issues. European presence

in Latin America is declining with the progressive exit of donors such as the United Kingdom and Sweden. The interest of EU member states is largely fading, as shown by their minor role follow-

ing the 2009 Honduras coup. Partner countries around the world have realised that the EU is actually a mosaic of partners with different degrees of commitment and competences. This is also reflected in the 2008 Monitoring Survey on the Paris Declaration. Broadly speaking, the EU consists of the advanced Nordic Plus and the so-called like-minded donors on the one hand, and a group of less experienced and/or more realpolitik-driven development agencies, on the other. In terms of aid effectiveness, the European Commission stands alone. Despite massive resources, its delegations have a low number of often poor quality staff. Even more importantly, it lacks a clear mandate to coordinate and promote partnership with the hosting developing countries. The partial advances in division of labour, Europe's flagship initiative, illustrate clear shortcomings in coordination between EU donors under the leadership of developing countries. At times, political dialogue with partner countries regarding sensitive issues – such as general budget support and governance – results in conflicting positions: the European Commission is under disbursement pressure and the bilateral donors fear, often

quite rightly, the public opinion of their constituency.

Furthermore, the EU is at the point of missing the boat on South-South and triangular cooperation, strengthened in Accra and Doha. Only Germany, Spain and to some extent Sweden are consistently investing in these modalities. Together with the indifference towards Latin America, this shows the general inertia of the EU's development cooperation to engage in horizontal forms of cooperation, for example with Middle-Income Countries (MIC), which in 2008 received 4,022 million Euros (up to 38 per cent) of the EC's ODA budget. As a general rule, the EU still remains defensive or at best passive towards new actors.

While structural caveats of international development cooperation (such as asymmetric power, lack of policy coherence, etc.) are difficult to resolve in the current system, the Lisbon Treaty may create a vital opportunity to 'get real' about partnerships. It is high time to improve the EU's actual capacities to become a partner. Effective medicine might be found in the field of institutional changes, in particular a more consistent role for the Development Commissioners and the strengthening of the delegations. They should be able to interact more strategically with developing partners and ensure more consistent coordination of EU development cooperation at the country level. Over the next few years, the EU also needs to leave behind its contradictory 'teen years' by listening to and understanding how its partners in the developing world perceive its role and capacities.

GROWING UP: INVESTING EUROPEAN ABILITIES FOR PARTNERSHIP

The road towards the EU becoming a stronger global actor has been paved by the Lisbon Treaty. It is now time to actually begin the journey, avoiding too many stopovers. Partnership-based external action in development (and beyond) is key to European values. Over the

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»»»»» coming months and years, the following specific areas must be addressed if the EU is to become a 'partnershipable' global actor:

- **Work towards contractual partnerships (capitalise on the teen years):** Contractual elements in the Cotonou agreement and co-ownership of the Africa-EU strategy show that the EU has already engaged in ambitious and adapted forms of partnership. Learning from these experiences, the EU could engage in contractual partnerships with the developing world beyond ACP (see box).
- **The EU in the mirror:** While the Lisbon Treaty has already clarified objectives and principles of European external action, it is now high time to leave behind the self-reflective phase and start listening to the partners. The European imaginary often contrasts with how Africans, Asians and Latin Americans perceive the European Union and in particular the Commission. Partnership in development means responding to the needs and demands of developing countries with resources and capacities we are willing and able to give. The current reform of the Commission's technical cooperation (towards country-led capacity development) can give some sensitive guidance in the area of assessing Southern perspectives on EU's development cooperation.
- **Strengthen capacities for partnership:** The work of the EC delegations in the developing world is essential to partnership in practice. Resources and capacities need to be improved, for example with better support from the new European External Action Service. Mandates for political dialogue and EU donor coordination at the country level need to be clarified urgently, in particular with a view to division of labour. Deconcentration to the delegations needs to be boosted, ideally learning from the multilaterals engaged in similar processes.
- **Adapt to a turbulent world:** Development partnerships are changing dramatically as a result of shifting international relations. It is critical to understand the global platforms for development policies and how partnerships evolve in them. For example, nowadays division of labour is an issue for the WP-EFF and mutual accountability is being anchored at the UN-DCF. While maturing

Contractual partnerships: New energy for the Cotonou spirit?

Until 2020, Europe is engaged in legally binding relations with the ACP countries based on the 2000 Cotonou agreement. Despite all its shortcomings, Cotonou is a 'partnership contract' which is unique in the current development and aid architecture. It includes not only **mutual accountability** (art. 2) and **political dialogue** provisions (art. 3-4), but also **joint institutions** (such as the Joint Council of Ministers) and **arbitration procedures** (art. 96-98). Building horizontal partnerships on a daily basis is a tough business, but it is currently the area where the EU can – and should – make a real difference. While its implementation will be reviewed in 2010, the spirit of the Cotonou agreement would benefit from new energy as a model for development partnerships in a post-Accra and Doha world. Similar '**contractual partnerships**' could be negotiated and signed with the **developing world as such**, for example emerging economies such as Brazil and India, as well as middle-income countries in Asia and Latin America. All parts of this **triangle can only benefit** in terms of prestige (EU), Europe's renewed commitment (ACP) and institutionalisation of long-promised, but still often empty partnerships (non-ACP). Even in an Obama era, the world would finally understand what it means when the Union **gets serious about partnerships**.

This box has benefited from inspiring thoughts of Paul Engel (ECDPM) and Simon Maxwell (ODI)

as a global actor, the EU needs to adapt continuously to the shifts in development partnerships.

- **Be innovative:** The EU's development cooperation is aiming to support poor countries, such as the ACPs and especially the African continent. This should not prevent Europe from engaging in innovative partnerships, such as South-South and triangular cooperation, currently revitalised by the DCF and the WP-EFF, both of which will celebrate high-level events in 2010. Nowadays, the increasing group of MICs demands Europe's partnership (and expertise); the response from Europe is still pending.

The European imaginarium contrasts with how Africans, Asians and Latin Americans perceive the EU

- **Demonstrate its maturity to the world:** Revolving around Brussels, the EU's processes are often perceived as

opaque and confusing by the developing world. The actual implications of the Lisbon Treaty are hard to understand for those working in EU circles and almost unintelligible to outside observers. If the EU is to remain in touch with its partners, it should explain in few and easy words what will happen, why, when and with which consequences for the ongoing development partnerships.

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