

Agenda for Action

European Development Cooperation: towards policy renewal and a new commitment*

The European Community at this crucial moment as an enlarged Union of 25 member states, with a newly elected parliament and a new Commission, is facing great challenges and opportunities in renewing its development cooperation. Hence we call on you as decision makers in the Commission, in the Parliament and in the governments of the member states to take the lead towards a renewed and broad-based commitment for a sustainable international cooperation of the European Union in the 21st century.

The decisions to be taken between 2005 and 2009 will be of utmost importance and influence the future of Europe's Development Cooperation. Therefore, we hope there will be clear strategies focusing on coherence in European external policies, better coordination between the European Commission and EU member states, and a greater commitment to poverty reduction.

It is also imperative to mobilise all partners, both, the European Commission as well as member states, to generate the political will and ensure firm commitment, especially in providing the required and internationally-agreed funding to enable developing countries to achieve the Millennium Development Goals.

Furthermore, policies should incorporate strategies on development education, gain in awareness and communication to better enhance public support and visibility of European development cooperation in Europe.

Two days were spent exploring relations between foreign policy, security, trade, human rights and development. This document formulates the main findings and key recommendations of the conference, which brought together 250 experts from Europe, North America, Latin America, Africa and Asia. Herewith we would like to bring these findings to your attention with the request to take the following policy recommendations into consideration:

European Development Cooperation must change

FOREIGN, SECURITY AND DEVELOPMENT POLICY

- ▶ After the end of the Cold War the patterns of international relations followed the traditional concept of security, which focused on the territorial defence of states. This outmoded approach is not applicable any more: Current conflicts are regional in scale, therefore regional responses are required both within the regions and by the EU. A new South-North division of labour needs to be agreed by the EU to help finance African and other peace-keeping efforts and related reconstruction for development.
- ▶ Recognising the danger of a clear development focus being contaminated or diluted by security concerns, prevailing insecurity of all sorts has to be acknowledged as a key obstacle in the fight against poverty.
- ▶ More importance needs to be given to development issues, although they have become more people-oriented and relevant to a broader public in the last years.

TRADE AND DEVELOPMENT

- ▶ Provided the benefits of trade development are distributed fairly, it has a far greater potential than aid actions to reduce poverty. The importance of trade policy as a key tool to fight poverty needs to be recognised. The EU should commit itself to trade liberalisation within the next WTO Round, where it should phase out agricultural subsidies (as part of the Common Agricultural Policy reform).

* EDC2010 International Conference, organised by SID Europe in cooperation with EADI and Euforic; 27-28 September 2004, The Hague.

- ▶ EU Development Cooperation should strengthen ACP countries' supply-side capacity (private sector development, institutional development and economic reforms) and it should come across coherently in Economic Partnership Agreement negotiations and in its implementation.

AID EFFECTIVENESS

- ▶ EU governments should speed up measures to coordinate and work together to complement their aid programmes. To this end, they should use best practice and cut transaction costs through multiple aid mechanisms and multiple reporting mechanisms. This is particularly important in view of EU enlargement.
- ▶ Ownership should be respected on all levels, and at every step in the process. This means less micro-management at project level by individual member states, and less resolutions by the EU Parliament.

PARTNERSHIPS WITH DEVELOPING COUNTRIES

- ▶ The EU should acknowledge that the present forms of North-South dialogue and partnerships are unbalanced due to differences in power and wealth. To reduce this asymmetry, efforts should be made to let developing countries set the agenda as well as let them set their own priorities, to reach the optimal overlap between the expectations of the donors and the aspirations of the recipients, and to give recipient countries the right to choose their own policies. Multilateral partnerships generally are a better basis for symmetry than bilateral partnerships. The need for strong and effective EU institutions (and other multilateral institutions) needs to be recognised.
- ▶ The enlarged EU should renew its firm commitment to North-South collaboration. To realize this additional efforts should be taken to make the public aware of the importance of development cooperation in the new member states.

INSTITUTIONAL ARCHITECTURE FOR DEVELOPMENT

- ▶ A stronger mandate for development in the new Commission is needed. In particular, there should be a single financial instrument for development with clear poverty focused criteria and objectives, applicable to all development programmes.
- ▶ The EU should act as a Union in international fora. Thus common strategic thinking is required, which also should be reflected in the EU's new Development Policy Statement.

MIGRATION AND DEVELOPMENT

- ▶ More recognition of the links between migration and development is needed. This includes a coherent migration policy, which should reflect a fair balance between migration and development interests.¹
- ▶ The EU should take the lead in establishing partnerships with the South addressing issues of migration. Coherence between trade, aid, investment, security and migration should be the guiding path in these partnership negotiations. For example, old practices of recruitment without looking at the negative impacts (such as the 'brain drain') in the countries of origin are no longer acceptable.
- ▶ The EU should commit itself to facilitating migrant remittances and reducing the cost of their transactions. International actions should be co-ordinated in order to maximise the development impact of remittances in developing countries.

1 Recent conclusions by the European Council underlining the need for more coherent action, including the "exchange of best practices within the EU" and the "establishment of common basic principles for immigrant integration policy of the Member States" have to be implemented.

(see: Council of the European Union, Presidency Conclusions 16238/04, 17 December 2004)

The way forward

MORE RESOURCES FOR DEVELOPMENT COOPERATION

- ▶ We need more resources for development co-operation. Aid expenditure through the Commission only accounts for one fifth of the EU assistance. The greater share is spent on bilateral programmes of EU member states. The EU member states should meet the universally agreed goal of 0.7% of their GNP for development aid by 2015.
- ▶ As a concrete and measurable step, all parties should fulfil the financial commitments they made in Monterrey. Commission and Member States have to raise the average of their Official Development Assistance from the current level of 0.33% to 0.39% of their GNP by 2006. The EU should lead the field in achieving this goal, and establish new targets beyond 2006 (0,4–0,7%).

NEW EUROPEAN ALLIANCES FOR DEVELOPMENT

- ▶ At the European level, policy makers, development administration and civil society should help to create the right climate of public opinion for reforms. Building a stronger network of concerned policy makers, development practitioners, and politicians (sustained by researchers, civil society organisations, the media and other actors in the public debate) can help to achieve the favoured changes.

BETTER VISIBILITY FOR EUROPEAN DEVELOPMENT COOPERATION ON EUROPEAN AND NATIONAL LEVELS

- ▶ The EU should better explain the role the Commission plays in the development process to development partners as well as the public at large. The European Comission still has a severe image problem and is fairly unknown to many as an actor in development cooperation, although as much as 10 % of worldwide development aid is handled by the Commission. A stronger European profile and better coordinated European position on development issues would greatly help.
- ▶ The future of the European Development Co-operation should be debated at European and national levels to help linking issues such as trade, agriculture and fisheries, migration, emergency and disaster relief, human rights, peace and security more closely to the development agenda. Such debates could create a sound climate for renewal.