

A changing EU: what are the development implications?

Challenges facing the EU's new political leadership



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In the second half of 2004 the European Union's new political leadership takes office. The European Parliament elections are held in June and a new College of Commissioners is appointed over the summer and starts its mandate on 1 November. These regular moments in the EU calendar are this time, however, complemented by a further major change. The Council will see its biggest expansion ever with 10 new Member States formally joining on 1 May.

All the three major EU institutions that govern EU development cooperation are therefore set to experience important changes in political leadership. There is continuity of course, provided by the officials of the Commission and the older Member States, but the accent will be on renewal, new ideas, new relationships, new balances of power and therefore, in time, a likely evolution in policy.

At the same time the Union is involved in two far-reaching debates on institutional

and policy frameworks: the unfinished Intergovernmental Conference (IGC) which is discussing proposals for major institutional changes for EU external action and the Financial Perspectives which will set the budgetary framework for the Union for 2007 to 2013. One of the first and biggest challenges facing the new leadership will therefore be finalising an agreement on the Financial Perspectives and much of their time in office will be dominated by transitional arrangements leading up to the new institutional structures agreed in the IGC.

How then is development cooperation likely to fare amongst all these changes? What moments and issues should particularly concern development specialists?

Change is in the air

Policy mix

In all this, EU development policy is clearly also facing change and on a scale which is potentially more far-reaching than anything else since the introduction of the first Lomé Convention. To start with both the IGC and Financial Perspectives are proposing measures that would radically change the way EU development programmes operate. The

accent is on achieving far greater coherence in external action terms and the right policy mix of Union policy for any country or region. Development cooperation therefore can no longer expect to operate in isolation. So even without knowing the views of the new political leadership, change is clearly on the way. In addition there are a number of major policy debates in the development cooperation sector itself. The quinquennial review of the Cotonou Agreement and the proposed 'budgetisation' of the EDF¹ have potentially major implications for ACP-EU cooperation. At a broader level, progress on the EU commitments to the MDG will be under close scrutiny in the run up to the international stocktaking in 2005 and, although there is no formal undertaking to do so as yet, there is an argument to suggest that the new Commission and enlarged Council ought to undertake a five year review of the overall EC Development Policy Statement agreed in November 2000.

Changing international environment

Finally, of course, the international environment in which the EU conducts its external policy is also changing. In late 2003 responding to changes on the international scene, the EU committed itself to a stronger emphasis on multilateralism, more proactive engagement in the UN and a

clear policy on security issues. 2004 is also a presidential election year in the United States and given the impact the Bush administration had on global affairs, the results of the election are a key consideration. Not least it means that the key negotiators of both of the principal actors in the Doha trade talks, Messrs Lamy and Zoellick, will be changing. Elsewhere regional integration trends in Africa, Asia, the Pacific and the Americas are strengthening, the new Konaré Commission of the African Union is starting to find its feet and developing countries are building new alliances in the WTO. The traditional grouping of the EU's main partner countries in the South, the ACP Group, is thus also having to adjust to new political realities. As both the EU and the ACP make these adjustments they must expect their own long-standing relationship to evolve.

during their first committee meetings though they can of course be expected to follow the election manifestos of their political groups.

Some analysis has already been done on the positions the new Member States are likely to take on development policy⁴, but even here much is guesswork. One can see that their main concern initially will be meeting their financial commitments in the Union and ensuring that their own needs for support are fulfilled. Contributing to EU aid for developing countries will be a secondary priority, but of course in joining the Union they also accept the *acquis communautaire* including its development policy goals and through the EU Budget they will inevitably join the donor community. Voluntary contributions to the EDF would

States will have on the development policy orientations of the Union is even harder to predict and will probably take a number of years to be felt.

The future shape of the institutions

The IGC, once concluded, will not produce immediate institutional change. Part of the agreement will be a calendar for introducing changes to the EU institutions over a period of several years. However, these changes will then influence the way everyone works from then on. All new policy or programme initiatives will take the forthcoming institutional arrangements into account, preparatory steps will start and transitory arrangements will be put into place where necessary.

For development cooperation the key changes revolve around the widely agreed objective of increasing coherence in EU external action⁵. Chief amongst the ideas of the Convention on the Future of Europe to achieve this is the proposal to create a post of European Foreign Minister (EFM) with one foot in each of two institutions: the Council and the Commission. This 'double-hatted' person would thus be both an officer of the Council and chair the External Relations Council on the one hand and a Vice-President of the Commission, where he would be responsible for foreign policy and coordinating the Commission's external relations work, on the other. Although discussions in late 2003 seemed to indicate this proposal will be carried through, it is clear it will be a major challenge to make the position operate effectively. In particular the EFM will have to conduct a difficult balancing act between two separate and independent institutions with different responsibilities and prerogatives and between different areas of policy. S/he will be at the centre of debates on how to achieve a coherent *policy mix*. The personality of the EFM will therefore play a crucial role in determining the success or otherwise of the arrangement as will the political space the incumbent is given to operate effectively by the Member States. Will this new mechanism mean that development becomes subservient to the faster changing whims of foreign policy or the Union's security concerns⁶, or will it mean that development's objective of poverty eradication and partnership approach is a central consideration of all the Union's external action?

Box 1: Installing the 'Class of 2004'

The 6 months of May to November 2004 will see the new EU political leadership take shape. In May the 10 new Member States become full members of Council and their Commissioners without portfolio have their hearings with Parliament and take their seats in the College. By mid-June the results of the EP elections will be known and the inter-party negotiations on the membership of parliamentary committees and the attribution of chair and vice-chair positions can start. These questions should be resolved by the end of July. The EP has already agreed the committee structure for the new legislature and the current foreign affairs and development cooperation committees will continue to exist. There will be a new and separate committee for international trade² exclusively focusing on matters relating to the establishment and implementation of the Union's common trade policy and its external economic relations. Although the mandate will gain in clarity, at the moment the impact in terms of priority given to the development agenda is difficult to predict.

At the same time the Irish Presidency will be seeking to propose a new President of the Commission for Member State and EP approval³. Once nominated the new President can start forming the 25 member Commission from the list of candidates put forward by the Member States. For the 10 new members it is likely their 'temporary' Commissioners without portfolio would be nominated to continue. The individual parliamentary hearings for the new Commissioners will then take place in September/October before the start of their mandate on 1 November.

From 1 May 2004 and until the launch of the new Commission on 1 November the ten new Commissioners will be twinned with existing Commissioners. Although they will not have their own portfolios, they will have the right to vote in the College.

Emerging views

By the 1st of November therefore the new political leadership will be installed in all three institutions, responsibilities will have been allocated and a first indication of the incumbents' views on policy issues should become known. Before that date it is hard to be sure what positions these new actors will take. Some pointers will however start to emerge: the views of the new Commissioners will become clearer during the EP hearings, those of the new MEPs

of course be another matter: an argument the Commission does not hesitate to exploit in its Communication on EDF budgetisation. A lot depends then on the attitudes of their citizens towards the ACP. Clearly they do not have the long history of relations with the ACP countries that exist in many of the current Member States, but that does necessarily imply they will not be willing to contribute to aid to the ACP particularly if joining the Union brings them tangible improvements in their own standards of living quickly. The impact the new Member

The IGC also has to consider an associated proposal on the creation of a European External Action Service, in effect a European diplomatic service which includes EU officials as well as national diplomats. If agreed, this would mean that a further period of organisational restructuring for the Commission's external services was on the cards and it would be important to ensure that this did not jeopardise the achievements of the Reform of EC External Assistance presided over by the current Commission.

The other major issue from the IGC is of course the scale and composition of the future Commission. Already under the Nice Treaty we will be seeing a Commission with 15+10 members from November and the IGC may bring further change. For development

point for a two year negotiation process involving primarily the EU Member States. However, discussions with the Commission on funding levels and ceilings for each heading are likely to be animated as even before the EC proposal came out six net contributor Member States of the Union¹⁰ sent a letter to President Prodi insisting that EU spending be capped at 1% of European GNI in the new Perspectives. The Commission's proposal argues for a 1.24% level as necessary to cope with the aspirations of the EU and particularly the promises towards the new Member States. This does however also include the EDF, representing 0.03% of EU GNI, which in the past has been a separate fund outside the EU budget.

proposal does indicate that the Commission would probably split the overall heading into only five or six 'instruments'¹¹ when it presents the annual budget proposals each year. Although development cooperation funds would be by far the largest segment of this heading, particularly if the EDF is included, it will not necessarily be a separate instrument in its own right, but could be included in the same instrument as funds for CFSP and security. Another 'instrument' will be a new fund for a neighbourhood policy for support to countries on the immediate borders of the Union to the East and the South.

These proposals raise a number of questions: first will the Member States vote a sufficient overall level of funds? Second will there be enough to fund development cooperation adequately given all the other competing interests in the external policy area, not least the EU's interests in promoting stability among its immediate neighbours? Will, for instance, the traditional privileged EU relationship with the ACP finally be eclipsed by its growing interest in the stability of its immediate neighbours in Eastern Europe and North Africa? The EU should be working towards increasing ODA levels in order to meet its commitments on the MDG: doing this through the EC would be one way of doing so, though certainly not the only one. Equally important however is the question of who will control the funds: will the Commission succeed in its bid to acquire more control over the management of the budget?

As the title of the Commission's Communication already indicates the Financial Perspectives are not just about financial resources, they also provide a policy framework: the funds are related to what Europe is seeking to achieve during the period covered. In effect the Communication bluntly poses a fundamental question: what sort of development cooperation programme does the EU want to conduct up to 2013 and how closely does it want this tied in to security and other foreign policy considerations? Behind the overall aim of achieving a *Europe as a global partner*, what policy mix does the Commission really seek? Will security be the Union's overriding concern or will the EU accept that its security will be better founded in a world less divided by huge disparities in wealth and poverty?

Finally it is worth noting that the Commission's Financial Perspectives proposals include the suggestion that the EU should be moving towards a common

Box 2: Next steps in the IGC process

The Inter-governmental Conference (IGC) on the new EU Treaty had a number of sessions in the autumn of 2003 during which it worked on the basis of a Draft Constitution proposed to it by the earlier Convention on the Future of Europe⁷. At its last session in December 2003 it failed to reach agreement and was suspended. The Irish Presidency was then tasked with taking soundings with all the Member States and reporting back to them in March. On this basis of this work it is hoped to resume the IGC in May and ideally reach an agreement before the European parliament elections in June.

At the end of the IGC, unanimous agreement should be reached on a text for the new Treaty, however this cannot enter into force until a two-stage process is completed:

1. The final text is signed officially by the Heads of State and Government⁸.
2. The signed text then has to be adopted by each of the signatory countries in accordance with their own constitutional procedures.

Once the ratification process Treaty is complete, the Treaty can then enter into force and become effective. In the light of experience with the previous Treaties, it is currently estimated that the period elapsing between the end of an Intergovernmental Conference, the signing of the text and the entry into force of the Treaty can range from one to two years. Then there will be a phasing in period for the new provisions based on a calendar laid out in the Treaty.

practitioners the issue here will be to see how strong a voice development, and also humanitarian aid, each get at the top table. In a smaller Commission, or one with an inner cabinet, will development be represented by a single portfolio Commissioner with full voting rights?

The resources for development

The Prodi Commission published its proposal for the Financial Perspectives in February⁹. This proposal is the starting

Europe as a global partner

In addition the Commission is proposing to restructure the Financial Perspectives radically, reducing the number of headings and sub-headings from eleven to seven thereby increasing its flexibility to manage the budget according to changing needs. EU external actions would all fall under one heading, '*Europe as a global partner*', corresponding to one of the three overall policy objectives the Commission proposes for the period. Further sub-divisions of this heading would not be agreed in the Financial Perspectives themselves, but the

development policy to stand alongside the CFSP and the common trade policy in the external actions area. If this principle is accepted by the Member States this will become a major challenge for the next Commission to achieve during the course of its mandate.

Adapting the Cotonou Partnership

Cotonou review

Article 95 of the Cotonou Partnership Agreement provides for a review and possible revision every 5 years. The EU Member States have given the Commission a mandate to conduct the negotiations with the ACP on most of the issues the Commission proposed. For the EC the main purpose of such a review is increasing management flexibility. To achieve this it is seeking a number of changes to procedures and the system of joint management but in particular it wants to include the EDF into the EU budget. So far however the EU Member State have not yet given a full green light on this latter question, but have asked the EC to both explore this option and in parallel prepare a 10th EDF.

The ACP for their part are also interested in making changes. They are expected to seek greater clarity on the interpretation of certain articles and notably Articles 96 and 97, the articles relating to the essential elements¹².

The negotiations for this review will start in May 2004 and have to be completed by February 2005. The overall tendency in them will be the Commission pushing for greater flexibility in its own management of the EDF and greater control of the resources. For the ACP this will appear as a further erosion of the partnership principles of Lomé, in particular those of joint-management. The Commission for its part will argue that such changes will improve the efficiency and effectiveness of aid delivery.

EDF budgetisation

The budgetisation of the EDF raises a number of issues¹³ including those of the security and predictability of funds for the ACP, but the central question is arguably also the issue of the degree of management authority and flexibility to put in the hands of the Commission. The Commission argues that if it had more authority over the alloca-

tion of funds it would be better equipped to ensure EDF funds were well used in time. This would then place it and the ACP in a stronger position to argue for increased funding from the EU Member States.

Cotonou of course, already introduced various new flexibility measures with respect to Lomé. One of these, the Mid-Term Review, is underway for the first time in 2004. How this review operates and the results it achieves is therefore a matter of some interest, particularly as the final stage in late 2004, affords the Commission the possibility of reallocating resources within and between national indicative programmes should the Reviews suggest this is appropriate. At the same time the Commission will conduct a global review of resources in the EDF and propose to the EU Member States whether or not to release the EUR 1 billion 'conditional fund' that is provided for in a declaration attached to the CPA¹⁴. It remains to be seen whether the Member States agree to the release of these funds as initially there has been some resistance. Understandably the ACP Group have major concerns about these reviews and the EDF budgetisation proposal. The new Commission will need to be ready to respond to these effectively from the day it starts work.

As the MTR draws to a close therefore, it will be important to see what conclusions it enables the stakeholders to draw that might be relevant for the negotiations on budgetisation and the review of Cotonou. Does Cotonou perhaps already provide enough management flexibility in the EDF and is more really needed? Will EDF budgetisation really be a positive improvement to ACP-EU cooperation?

Landmarks in the broader EU development policy debate

Aside from discussions in the Cotonou framework there are a number of other debates that will occur in the development policy sector in 2004 and which the new actors in the institutions will need to pick up on as they proceed. Probably most significant is the question of progress towards achieving the Millennium Development Goals. In April, Council will conduct a debate on a report from the Commission that looks into whether sufficient progress is being achieved, not just by the EC but also by individual Member States, for the EU to collectively reach the commitments it made

at Monterrey. Even though the trend towards increasing ODA levels seems in most EU Member States to be relatively encouraging for the year 2002¹⁵ and commitments for the coming years are apparently at a high level, efforts should be maintained in view of the international stocktaking in the UN in 2005. If progress is too slow the EU will have one year to put this right. Will the new Commission and the new Council show the same resolve in pushing for these increases as their predecessors did in setting the targets?

Progress on ODA levels

Achieving the MDG by 2015 is widely recognised as one of the biggest challenges currently facing the international community. The EU prides itself on the proactive leadership role it played in achieving agreement in the donor community on the MDG at the Monterrey conference¹⁶, and particularly on the increase in ODA levels required as part of this effort. It will therefore be under considerable moral pressure to show that it at least is moving fast enough towards achieving them. This might have an impact on the Financial Perspectives debate, as increasing ODA channelled through the European programme (budget and EDF) is one option for EU Member States, but it is also possible for them to put additional funds through other channels such as the World Bank or the UN or to spend it themselves in their own bilateral aid programmes.

There are also commitments towards increasing coordination and harmonisation of procedures. Progress is being made on this front, although there is still a lot to be done. Harmonisation is also an argument that can be used to strengthen the case for EDF budgetisation or for moving towards a possible common development policy. However, whether that ultimate goal is explicitly stated or not, this commitment is likely to mean that another trend that will be increasingly evident during the life of the next Commission will be a movement towards far greater levels of coordination and complementarity between the development assistance programmes of the EC and those of the EU Member States.

EC Reform

One further consideration the new Commission will have on its plate from day one is the pursuit of the programme of Reform¹⁷ of EC External Assistance

embarked upon by the Prodi Commission. In its latest progress report on the reform the EC identifies four key elements of the reform which still need to be completed:

- (a) pursuing the increased focus on strategy and programming;
- (b) further improvements to working methods;
- (c) finalising the deconcentration process to delegations in ACP countries, and
- (d) improving financial management and performance.

If the positive results already achieved in the Reform are to be consolidated it will be important to ensure these steps are carried through and not disrupted by other changes.

In particular, already in the distribution of portfolios as the new Commission is formed, careful thought will have to be given on what to do about some of the earlier reforms bought in by the Prodi Commission. Should the informal Board of EuropeAid established by Patten, Nielson and the other external relations commissioners be continued and further formalised along with the somewhat incongruous designations of 'Chairman' and 'Chief Executive' that these two commissioners acquired respectively in the process? Should all the development policy desks be regrouped in the same DG rather than split between DEV and RELEX as at present? The Financial Perspectives proposals also talk about the need to move further towards greater decentralisation of executive functions out of the Commission and the creation of more 'Offices' – is this the moment for EuropeAid to become an 'Office' along the lines of the German GTZ, the Belgian BTC or Luxemburg's Lux Development? There are other aspects¹⁸ of the Reform that the new Commission may wish to carry further as well, but these are the most visible or the ones that will require most urgent attention.

Orientation debate

In January the Council also decided to streamline the annual EC cycle of development cooperation programming, budgeting and reporting. The Commission agreed to bring forward the date of publication of the Annual Report of EC External Assistance to July and it was agreed that the annual Orientation Debate, when the effectiveness of EC aid is reviewed, should be moved from February to October. This would then allow consideration of the report and discussion

on orientations for the following year to be done at the same time and enable the conclusions to feed in to the annual budgeting cycle at a moment when it can have a greater effect on forward planning. 2004 will be a transitional year in this respect with the Dutch Presidency committed to conducting a second Orientation Debate at the October GAERC just as the change of guard occurs at the Commission.

Although this has not really been the pattern in the past, the Orientation Debate might also quite logically be linked in to a review of progress against the objectives set out in the November 2000 overall EC Development Policy Statement. This might be an innovation that the new Development Commissioner would consider suggesting to the Presidency of the Council. However, were s/he to do so, it would also be logical to wish to do it on the basis of a policy statement that s/he had had some hand in shaping. October 2005, five years on from the first Statement and after one year in office for the preparatory work, might therefore well be an appropriate moment for the Development Commissioner to seek Council agreement on a new overall EC Development Policy Statement, or at least a reviewed statement that had been updated to reflect a substantially changed international environment and considerable advances in EU external policy in the intervening years.

Active involvement in global governance

In the autumn of 2003 the EU Council agreed a new policy of more proactive and better coordinated engagement in the UN or 'effective multilateralism' as it came to be known. A couple of months later in December a new Security Strategy was also agreed. In these the EU commits itself to using the UN as the framework for global governance. These moves were partly a reaction to the splits that occurred in Europe over the Iraq war, but also a recognition that one thing European citizens did believe in strongly, in international affairs, was the importance of the UN framework.

The EU will therefore seek to increase its capabilities¹⁹ to provide support to international governance through the UN on both the military and diplomatic fronts by combining resources of Member States and the EU institutions. The emphasis will also

be on striving for greater coherence in the EU's different external policy instruments:

*"The challenge now is to bring together the different instruments and capabilities: European assistance programmes and the EDF, military and civilian capabilities from Member States and other instruments. All these can have an impact on our security and on that of third countries. Security is the first condition for development."*²⁰

The same Security Strategy paper stresses the importance of promoting good governance at all levels and also underlines the increasing contribution regional organisations make to strengthening global governance, quoting the examples of ASEAN, MERCOSUR and the African Union. As a regional organisation itself the EU has a particular interest in this trend towards greater regional integration and is taking active steps to promote it not least in its on-going EPA trade negotiations with the ACP Group. But it is not just about trade and economic integration, a regional framework is also increasingly being used in conflict prevention work²¹ and for promoting good governance. Having strong regional groupings able to articulate the views of their member states will also change the pattern of global governance, strengthen the UN and lead to more balanced debates in international fora.

Regional integration trends and the ACP

In development terms Africa has traditionally been a major concern of the EU so it has welcomed the renewal process currently going on in the African Union. As the AU increases in strength and capacity we can expect it to play a stronger advocacy role for Africa in the UN or the WTO, or through NEPAD with the G8, and even, as is already happening, in the ACP Group. Inside Africa, 2004 will see the birth of several of the other AU organs: the establishment of the African Court on Human & People's Rights, the launch of the Pan-African Parliament and the first two country reviews (Ghana and Rwanda) by the NEPAD African Peer Review Mechanism (APRM). Equally the AU Commission is discussing with the RECs how best to organise and rationalise the current complex system of regional and sub-regional structures on the continent. All these moves will contribute to strengthening good governance in Africa

and with it the foundations for faster economic development on the continent.

The trend towards regional integration is also evident in the Pacific with the Pacific Forum and APEC²² and in the Caribbean with CARICOM / CARIFORUM and in the numerous free trade agreements in the region. The strengthening of the role of all these regional groupings is of course potentially a challenge for the ACP Group which brings together members from three very different regions two of which are also dominated by big developed country neighbours: Australia in the one case and the USA in the other. Thus ACP nations in both the Pacific and the Caribbean use their respective regional bodies for coordination amongst themselves, but also for relating as a group to these more powerful neighbours. At the same time their link with Europe through Cotonou remains important. Partly this is a question of giving them a counter-balance to their powerful neighbours, but it is also true that the EU remains the biggest donor in the Pacific and, so far, has also been far more sympathetic on the single commodity trade problems of small Caribbean island states.

Thus the rise of the AU and the interest this is provoking in the EU, is perhaps less of a threat than it may at first seem for the ACP Group. Rather it should probably be seen as providing an opportunity to redefine and clarify the role of the ACP. Thus while each of the regional organisations are defined purely around the needs of their own Member States as a group of neighbouring countries; those of the ACP Group are based on their collective need to manage their relationship with Europe. In this latter task there is strength to be found in numbers. Even though differences between members of the ACP Group may at times seem vast and unbridgeable, there are also synergies to be found in sub-groupings within the overall ACP Group (eg. small island states or landlocked countries) that cut across the continental boundaries and, crucially, there is a strong tradition of solidarity in the Group. A solidarity which European officials at times decry as a break on progress, but also ruefully admit has its value for the Group. Clear thinking on the roles of these different regional groupings may therefore also help provide a sharper focus for their respective activities and in turn greater effectiveness in their action. For the ACP this is a subject worthy of some reflection as the Group is frequently criticised for being too large and diversified to be effective. But the EU would also benefit from thinking these questions through so as to

sharpen its own external policy orientations.

The Doha 'development agenda'

Bringing the Doha Round of WTO trade negotiations to a successful conclusion will be the single most important priority of the new European Trade Commissioner as soon as he or she is appointed. The ACP and developing countries more widely, were disappointed by the EU position at Cancun and since then little progress has been possible although negotiations are slowly getting back on track. The prime concern is not to lose the 'development agenda' of Doha as things start moving again. At the same time the second phase of the ACP-EU negotiations on EPAs will be in full swing throughout 2004 and by the time the new Commission is in office it will be keen to see signs of real progress. UNCTAD XI takes place in June 2004 and will seek to raise the profile of trade and development issues back up the international agenda, but in a sense this is too early for Europe which will then be engrossed in its internal institutional change processes. It is more likely that movement in this area will only really be seen after November, once both the new EU trade commissioner and the new US trade negotiator are appointed. For the coming years the EC will have to bring forward the agenda at a more technical level.

2004: A year to establish the framework for the next decade

2004 is thus a year of major change in the EU and one which can be expected to have a huge impact on its development cooperation programmes. Gauging what this impact will be is not easy with so many changes taking place in such a short period of time. The incoming new political leadership not only has to familiarise itself with its new responsibilities, but it will also need to tackle a number of major policy decisions early on in its term; decisions that will establish the framework for EU development cooperation for the next decade.

In such circumstances all stakeholders involved in EU development cooperation whether as policy makers, researchers, implementers or other practitioners and particularly those from the EU's partners in the South, whether in the ACP or in Asia and Latin America, need to watch the changes

closely and voice their views clearly as the opportunities present themselves. Awareness about what is happening is the first step, effective multi-stakeholder dialogue is the next: only in this way will we get this framework for the next decade right.

Notes

- 1 The European Development Fund has always been a fund outside the EU Budget. It is based on direct voluntary contributions from the EU Member States. In October 2003 the EC proposed to 'budgetise' the EDF, that is incorporate it into the EU Budget. For details on this debate: cf ECDPM Discussion Paper No. 51: Mackie J., Frederiksen J. and Rossini C., "Improving ACP-EU Cooperation: Is 'budgetising the EDF the answer?", January 2004.
- 2 Whereas trade is currently only one part of the mandate of the 'Committee on Industry, External Trade, Research and Energy'.
- 3 The EP hearing for the new Commission President is scheduled for its plenary session on 19-23 July.
- 4 Migliorisi, Stefano. 2003. Development Strategies, IDC, Study commissioned by the European Commission on 'The Consequences of Enlargement for Development Policy'.
- 5 These questions are explored in greater detail in the ECDPM report: 'Ensuring development cooperation matters in the new Europe', Mackie J., Baser H., Frederiksen J. and Hasse O., October 2003.
- 6 In December 2003 the GAERC agreed a new European Security Strategy, 'A secure Europe in a better world', which makes the point that there is no development without security but fails to also recognise the inverse: there is no security without development.
- 7 The Convention on the Future of Europe, chaired by former French President Valéry Giscard d'Estaing and composed of Member States and Parliament representatives, prepared a Draft Constitutional Treaty for the Union on the basis of wide consultations. This was submitted to the Council in June 2003. The text of the Draft Treaty is available at: <http://european-convention.eu.int/docs/Treaty/cvoo85o.eno3.pdf>
- 8 This is usually done formally a few months before the end of the IGC, after the text has been carefully checked and translated into all the languages.
- 9 'Building our Common Future: Policy Challenges & Budgetary Means of the Enlarged Union 2007-2013' European Commission, 10 June 2004, COM(2004)101.
- 10 Austria, France, Germany, The Netherlands, Sweden and the UK.
- 11 The six proposed instruments in the EU as a Global Partner heading are (i) economic cooperation & development, (ii) security, (iii) humanitarian aid, (iv) pre-accession, (v) a neighbourhood instrument for cross-border cooperation, and (vi) macro-financial assistance. It is also suggested that instruments (i) and (ii) might be fused thereby putting development cooperation in with all CFSP funding.
- 12 Cf ACP Council speech at the Joint ACP-EU Joint Parliamentary Assembly, Addis Abeba, February 2004.
- 13 See ECDPM Discussion Paper No. 51 "Improving ACP-EU cooperation: Is 'budgetising' the EDF the answer?" Mackie J., Frederiksen J. and Rossini C., 2004, for a detailed analysis of this issue.
- 14 Declaration XVII and para 7 of the Financial Protocol in Annex I of the CPA.
- 15 For progress on achieving the MDG ODA levels see the Commission's Communication on the EU follow-up to the Monterrey Financing for Development Conference (March 2004): www.europa.eu.int/comm/development/body/tmp_docs/Monterrey_COM2004_150_en.pdf#zoom=100
- 16 The UN Conference on Financing for Development, March 2002 in Monterrey.
- 17 *Reform of the Management of EU External Assistance: Progress Report as at December 2003*, report from Commissioners Patten & Nielson to Council for the January 2004 Orientation Debate.
- 18 For instance the CSP programming process developed in the past few years in the EDF has not been taken as far in some of the EC's other programmes and the Conclusions of the Orientation Debate in the February 2004 GAERC suggested there was some willingness to adopt EDF resource allocation criteria across the board in all external assistance programme.
- 19 Enlargement will also give the EU 10 more votes in the UN.
- 20 Op. cit.: *A Secure Europe in a Better World*, p.13.
- 21 Cf. ECDPM In Brief No. 4 with International Alert: *Regional Approaches to Conflict Prevention in Africa: European Support to African Processes*, October 2003.
- 22 APEC: Asia-Pacific Economic Community.



Acronyms

ACP	Africa, Caribbean, Pacific
APEC	Asian-Pacific Cooperation
ASEAN	Association of South East Asian Nations
AU	African Union
BTC	Belgian Technical Cooperation
CARICOM	The Caribbean Community and Common Market
CARIFORUM	Caribbean Forum
DG DEV	EC's Directorate General for Development
DG RELEX	EC's Directorate General for External Relations
EC	European Commission
EDF	European Development Fund
EP	European Parliament
EU	European Union
GAERC	General Affairs & External Relations Council
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IGC	Inter-governmental Conference
MERCOSUR	Southern Common Market (Argentina, Brazil, Paraguay, and Uruguay)
MDG	UN Millennium Development Goals
MTR	Mid-Term Review
NEPAD	The New Partnership for Africa's Development
ODA	Official Development Aid
UNCTAD	United Nations Conference on Trade and Development



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