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Reprogramming EU development cooperation for 2014-2020

Key moments for partner countries, EU Delegations, member states and headquarters

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For comments and information, please contact Simone Görtz and Niels Keijzer at sg@ecdpm.org.

Acronyms

ACP	African, Caribbean and Pacific Group of Countries
CSP	Country Strategy Paper
DCI	Development Cooperation Instrument
DEVCO	DG Development and Cooperation – EuropeAid (European Commission)
EC	European Commission
ECDPM	European Centre for Development Policy Management
EDF	European Development Fund
EEAS	European External Action Service
EP	European Parliament
HR/VP	High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission
JFD	Joint Framework Document
MIP	Multiannual Indicative programmes
MFF	Multiannual Financial Framework
NIP	National Indicative programmes
ODA	Overseas Development Assistance
RELEX	External Relations (pre-Lisbon EC Directorate)
RIP	Regional Indicative programmes

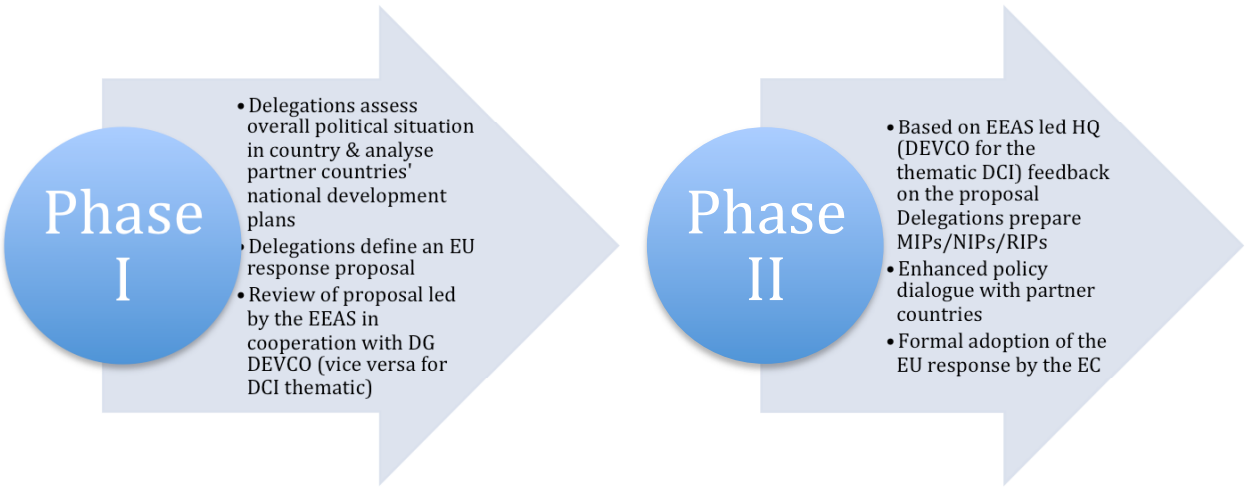
Executive Summary

Two years into the Lisbon Treaty and two years until the new financial regulations for external action (2014-2020) will enter into force, the EU has launched the programming process for the use of a €57.57 billion euros budget for development cooperation that has been proposed for this seven years period. This process is of keen interest for developing countries, as it will determine on what ODA resources are spent at the country level.

Ever since the new EU post-Lisbon services responsible for developing countries were set up in 2011[1], observers have been left in doubt as to what the priority for development cooperation in the Lisbon Treaty means in practice. The Lisbon Treaty and the 2010 European External Action Service (EEAS) Decision (Council of the EU: 2010) left some room for interpretation about how to combine the strategic planning responsibility of the EEAS with the responsibility of DG Development and Cooperation (DEVCO) over the money to spend. In preparation for the first step of the planning and budget cycle, i.e. the 'programming' process that spells out how and where the EU allocates and plans its external programmes, more detailed responsibilities have now been agreed amongst EU stakeholders.

The need to start programming for the EU's new budget straightaway opens a timely opportunity to leave internal EU struggles over the division of roles and responsibilities behind and to put cooperation with partner countries centre stage. The latter by taking partner countries' own strategies and planning cycles as a basis for programming. The following figure introduces key steps in two phases foreseen for programming, with phase 1 expected to be conducted in the first half of this year, and phase 2 in the second half.

Figure 1: Programming process 2012: Phase I (first half), Phase II (second half)[2]



In previous years different stakeholders expressed concern that the growing involvement of the EEAS in development cooperation would result in a 'securitisation' of development cooperation. The EEAS has indeed displayed a stronger security focus in its work relating to developing countries over the past year and the Lisbon Treaty is ambiguous regarding the priorities of security versus development. Yet the programming is expected to largely follow the traditional objectives of EU development policy as defined by

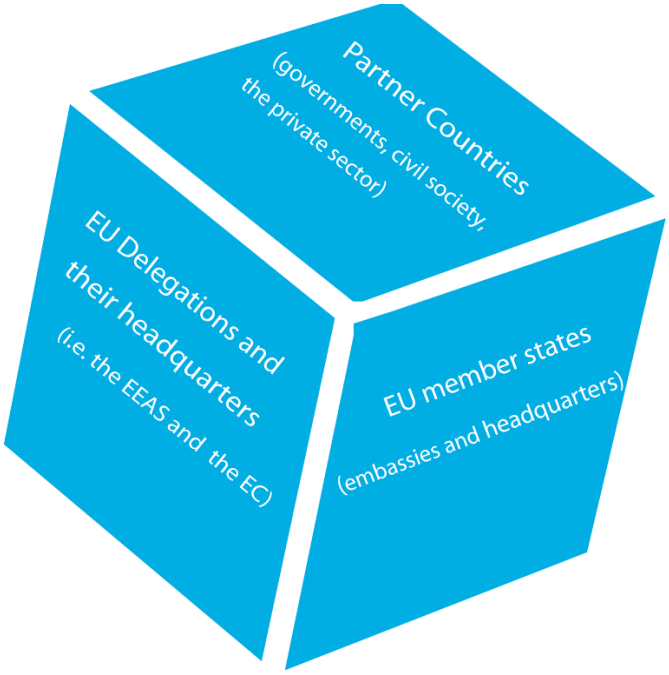
[1] DG DEVCO and EEAS are the main players in the current set up, but other EC Directorates General and particularly the Commissioner for Enlargement and Neighbourhood Policy also play a role in managing part of the EU's development budget.

[2] Taking into account the institutional year usually breaks into halves around the summer break in August.

the Treaty. The programming is expected to follow policy priorities laid out in the European Commission's newly proposed development policy - the *Agenda for Change* – as well as by the objectives enshrined in the current Development Cooperation Instrument (DCI) proposal and Cotonou Partnership Agreement (CPA) – all of which continue to prioritise the fight against poverty. Also the coordination with EU member states is foreseen to play a more prominent role from now on.

This Discussion Paper analyses the evolving process of programming the EU's development assistance in a post-Lisbon Treaty context by looking at the roles the EEAS, DG DEVCO and EU Delegations, partner countries and EU member states may play, and analyses the changes foreseen. The European Parliament (EP) also holds a key role in the programming of EU development cooperation, but is not analysed in detail here as discussions on their role of democratic scrutiny had not yet been concluded at the time this publication was finalised. In terms of its scope, this Discussion Paper focuses on the DCI and the European Development Fund (EDF) as these are the two most important development cooperation instruments and the largest financial "instruments" of the EU focused on poverty alleviation.

Figure 2: Actors involved in joint programming as foreseen



In effect the new working arrangements of the programming process are built on a number of previous elements. Collectively they aim to improve policy consistence and effectiveness.

To help ensure this in practice, the analysis in this paper suggests that the following points are important for various stakeholders:

Table 1: Important points for EU headquarters, EU Delegations and member states and partner countries

<table>
<tr><th>For the EU Headquarters</th><th>For EU Delegations
and EU member states</th><th>For partner countries</th></tr>
<tr><td>Ensure that the overall assessment prepared by Delegations is going to be checked against the EU's objectives as laid out in the Agenda for Change, the Cotonou Agreement and the DCI</td><td>Be aware that a partner country's national plan might have objectives beyond development as defined in the EU Treaty and be open to input from partner countries</td><td>For governments and civil society to pro-actively identify sectors in their national development plans that they analysed as appropriate for EU support before official consultations (obligatory in ACP-countries) are launched</td></tr>
<tr><td>Ensure win-win situation result of the entwined competences of DG DEVCO and the EEAS in the geographical and thematic programming process and avoid zero-sum games</td><td colspan="2">Ensure lessons learnt from past experience under the Code of Conduct on Complementarity and Division of labour (2007) and donor harmonisation in general are taken into account before programming jointly with member states</td></tr>
<tr><td colspan="2">For all of the EU to ensure ambitions outlined can be met.
To take lessons learned from previous unmet aims and objectives into account. Particularly when it come to the EU's comparative advantage which forms one of the central points of programming</td><td>To look back and draw lessons from past experience with EU Delegations and EU member states, particularly when mutual interest and/or expectations were not met</td></tr>
<tr><td colspan="2">To incentivise EU Delegations, EU headquarters and EU member states to engage in resource-intense new processes in order to create the opportunities to de facto implement the new approach.</td><td>To pro-actively engage with EU Delegations (and EU member states) and not to wait to be consulted and/or approached</td></tr>
</table>

Background: the EU's budget and planning concepts

The EU's overall budget – termed multiannual financial framework (MFF) – spans over seven years. Like any national budget the MFF mirrors political priorities in financial terms as it focuses resources on particular themes over others. It covers all areas of EU action (internal and external). The current MFF period started in 2007 and will end in 2013. The new MFF will start in 2014 and end in 2020.

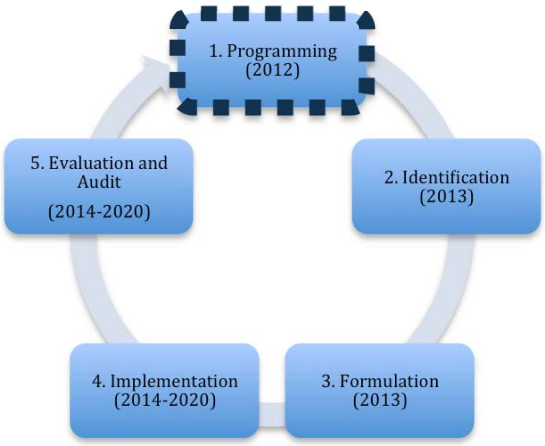
Figure 3: EC spending proposal for 2014-2020

EC proposal for the Multi-Annual Financial Framework 2014-2020	Amount (in € million)
1. Smart and inclusive growth (e.g. cohesion funds)	490,908
2. Sustainable growth: natural resources (e.g. CAP)	382,927
3. Security and citizenship	18,535
4. Global Europe	61,973
5. Administration	62,629
Total within the MFF	**1,016,972**
11th European Development Fund	34,276
Grand total (MFF plus EDF-11)	**1,051,248**

Heading IV, "Global Europe", of the planned MFF covers the external relations instruments. The DCI, the instrument for developing countries in Asia, the Middle East, Latin America and South Africa makes up for a bit more than one third of this heading. The EDF, the framework for ACP-countries, is even bigger in size but is not part of heading IV as it is currently funded outside the EU budget[3]. Together the proposed DCI and EDF constitute €57.57 billion[4] aimed to finance poverty reduction focused cooperation with developing countries from 2014-2020.

In order to allow enough time for preparing for the implementation of programmes to be financed under the upcoming budget from 2014 onwards, the first step of the preparation, the strategic programming has just started. Strategic programming here refers to the process of deciding how and where the EU allocates and plans its external programmes. This process is foreseen to be completed by the end of 2012. For the first time the DCI and EDF are aligned in terms of both the programming process that takes place in the course of 2012 and their allocation and implementation period[5] of 2014-2020.

Figure 4: Five steps of the EU planning and budget cycle



Before the Lisbon Treaty entered into force, the programming of EU development cooperation was conducted by the Commission's Directorate-General (DG) for External Relations[6] and DG Development, with DG EuropeAid Cooperation implementing their strategic decisions[7]. The Commissioner for External Relations signed off decisions[8]. With the creation of the mandate of the High Representative for Foreign Affairs and Security Policy and the EEAS through the Lisbon Treaty, the development community has been concerned

[3] Yet there is an on-going discussion with some EU member states pushing for including the EDF in the MFF.
[4] This is less than 5.5% of the overall EU spending for that seven years timeframe. Yet the final amount of the EU's budget is still under negotiation.
[5] The usual six-years allocation period for the EDF was extended to seven years to ensure that the cooperation cycle would end together with that of the DCI and the other financial instruments for the 2014-2020 period.
[6] This DG no longer exists in a post-Lisbon Treaty context.
[7] For a detailed overview of the post-Lisbon changes in programming of all external instruments see Stroß (forthcoming).
[8] The only exception were the DCI thematic programmes that used to fall under the responsibility of the Commissioner for Development.

about the merging of EU development policy with EU foreign and security policy[9].

Now the EEAS is just a bit more than one year into existence and has indeed a shared strategic planning responsibility with DG DEVCO when it comes to development policy. The EEAS moreover is mandated to bring EU member states and EU institutional policies closer together.

While the programming process is a 'moveable feast' that is constantly evolving with input from various actors, this Discussion Paper will look at three dimensions of the programming process. First it will look at which shape the division of labour between the EEAS, the Commission and EU Delegations is foreseen to take. Second it will look at the more active role that is assigned to partner countries in the planning of the EU's development budget's spending. Third this paper will look at the role EU member states could play in joining the EU's programming and overall planning cycle. Box 1 presents some definitions and descriptions of key terms that are used in this paper.

Box 1: Key terms used in EU development cooperation programming 2014-2020

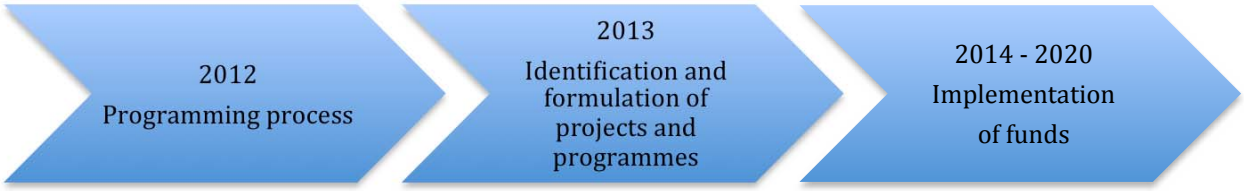
EU response (strategy) A strategy drafted by EU Delegations (and national/regional authorising officers in consultation with civil society in ACP-countries) in response to their assessment of a situation in a partner country (and based on a partner countries national development plan). It has to be approved by headquarters. **National development plan** A form of a reform strategy drafted and owned by a partner country that spells out a partner country's own vision of development for the country. These documents will be termed differently in different partner countries and could also be found under other terms such as "poverty reduction strategy (PRS)" or "reform strategy" more generally. **Joint EU response (strategy)** A strategy drafted by EU Delegations (and national/regional authorising officers in consultation with civil society in ACP countries) and EU member states in response to their assessment of a situation in a partner country (and based on a partner countries national development plan). It has to be approved by the headquarters.	**Joint Framework Document (JFD)** A document drafted between EU Delegation and EU member states in a partner country. It outlines all EU policies in addition to development that affect a partner country and spells out a joint EU vision regarding all of these policy areas (trade, security, migration etc.) in view of the development action agreed in a partner country. **Multiannual Indicative programmes (MIPs)** specify priority objectives and indicative multi-annual financial allocations per partner country in relation to the EU response strategy (CSP where applicable) under the DCI geographic and thematic. **National Indicative programmes (NIPs)** describe national development goals agreed between beneficiary nations and EU institutions. They contain specific budgeting information, typically for a shorter time frame within the EDF funding cycle. **Regional Indicative programmes (RIPs)** are those developed for the four regions within Africa - Eastern, Western, Central and Southern Africa - plus the Caribbean and Pacific island nations under the EDF.

[9] This concern led to a coalition of almost the entire community of EU development NGOs seeking legal advice. They argued "The role of the [E]EAS under the EU treaties is restricted to the EU's Common Foreign and Security Policy (CFSP), which represents only part of the EU's external action. Development co-operation is outside the scope of the CFSP and therefore the [E]EAS has no capacity in respect of it" (EU Observer:2010).

1. Joint programming between DG DEVCO and the EEAS

Following the initial confusion and discussion over internal EU service task division, on 13 January 2012 the EC's Secretary General and the EEAS' Chief Operating Officer finally signed the working arrangements (EC/EEAS:2012) setting out the modalities for cooperation between the EEAS and DG DEVCO. An EC official reported details on the modalities affecting development cooperation in the EP's Development Committee in January 2012 (DG DEVCO: 2012) and DG DEVCO and the EEAS are about to finalise guidelines for the programming of development cooperation end of April or the beginning of May. These guidelines cover the European Development Fund (EDF) for ACP countries and the Development Cooperation Instrument (DCI) covering allocations and programmes for other developing countries.

Figure 5: Timeline 2012-2020



DG DEVCO[10], created in 2011 as a merger of the EC's DG DEV and DG EuropeAid, possesses a long institutional memory of EU development cooperation programming and implementation. In contrast the EEAS, an entity separate from the European Commission (EC) that has a worldwide coverage of geographical desks (i.e. also non-developing countries), is just a bit more than one year into existence and so far has rather shined through EU security interest led initiatives with developing countries rather than with development focused plans[11]. Given its composition[12], some of the EEAS staff members that come from the EC are however expected to be well aware of the programming, while for other EEAS staff members the process will be new.

In this regard the respective programming responsibilities for development cooperation of the EEAS and DEVCO could bear the risk of orienting development cooperation closer to the EU's security or economic objectives. However, when looking at the details this risk seems to be limited by various factors.

1.1. EEAS to lead on EDF and DCI geographic programming, DEVCO to lead on DCI thematic programming

The decision establishing the EEAS (Council of the EU: 2010) and the working arrangements (EC/EEAS:2012) foresee that the EEAS will be tasked with preparing country allocations to determine the size of the financial envelope per region and country for the timeframe of the next EDF and DCI (2014-2020). The EEAS will be responsible for the EDF and for the DCI's geographic programming, i.e. the programming for individual countries and regions. The arrangement also specifies that the EEAS will do the planning in agreement with the EC. Decisions emerging from this process are foreseen to be submitted

[10] Before the Lisbon Treaty entered into force DG RELEX was responsible for the DCI's strategic programming while DG DEV was programming for the EDF

[11] A prominent example is the EU's strategy for security and development in the Sahel region. Also see Sherriff: 2012 and Mackie et al.: 2011.

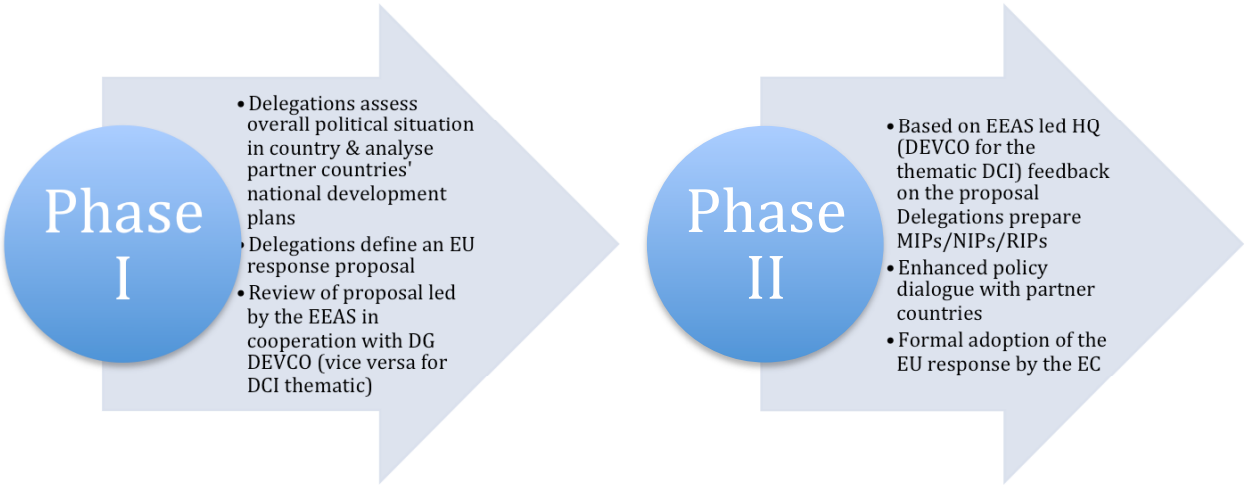
[12] For the EEAS staff is equally drawn from the EC (one third), the Council of the EU (one third) and EU member states (one third). The majority of the senior staff for Africa is for example from the European Commission's old DG Development (cf. Görtz and Sherriff: 2011).

jointly by the Commissioner for Development and the HR/VP for adoption by the EC. This process is different for the thematic programmes under the DCI[13] - making up for almost 40% (€9,3 billion) of the instrument's overall proposed budget. Here DG DEVCO will be in the lead of preparing guidelines and indicative programmes for the spending of these resources in consultation with the EEAS. The EC Commissioner for Development, the top EU political official for development, however has the final responsibility in both the thematic and geographic programming (cf. Annex 1 for a detailed overview of the new EDF and DCI working arrangements).

1.2. More responsibility to Delegations

EU Delegations in developing countries consist of both EEAS, DEVCO and other EC staff. While the EEAS has overall responsibility for functioning of the Delegations, DEVCO has the administrative responsibility for the officials and the proper management of their funds (cf. van Seters/Klavert:2011). The Lisbon Treaty has further strengthened the role of Delegations which are now able to represent the EU to third country authorities in all EU competencies. The Delegations play a crucial role in the programming process as they prepare and propose a so-called *EU response strategy* for engaging with a partner country to the Brussels headquarter based on an overall assessment of the political situation[14] in a partner country.

Figure 6: Programming process 2012: Phase I (first half), Phase II (second half)[15]



This very first step of the programming – an assessment prepared by Delegations – is followed by an EU response strategy drafted by the Delegations. The latter will be checked against the EU's objectives led by the EEAS in cooperation with DEVCO geographical directors at headquarter level. In this reviewing phase Country/Regional Team Meetings are foreseen to bring all relevant EEAS, DEVCO and EC services together. This process should be completed towards the end of the summer of 2012.

On the basis of the headquarter feedback and reviews of their assessments and proposed EU response strategies Delegations would then draft Multiannual Indicative Programmes (MIPs), National Indicative

[13] Thematic programmes under the DCI can be implemented throughout all development countries. In the DCI proposal for 2014-2020 the thematic programmes are: (1) Global public goods and challenges (environment and climate change, sustainable energy, human development, food security and sustainable agriculture, migration and asylum), (2) Civil society organisations and local authorities and (3) the Pan-African programme.

[14] DEVCO is currently also engaged in a process of developing more sophisticated and dedicated country and sector level political economy analysis (cf. Unsworth/Williams: 2011) to inform decision making.

[15] Taking into account the institutional year usually breaks into halves around the summer break in August.

Programmes (NIPs) or Regional Indicative Programmes (RIPs) as appropriate during phase 2 of the programming. This step would create the basis for the identification and implementation of concrete interventions (programmes and projects) by DEVCO in 2013 and beyond.

Attention would have to be paid to two aspects as to ensure development-focus at this step.

First, as the EU's objectives are numerous, with the hierarchy of objectives not always clarified, it will be important to spell out what the headquarter level review at the end of phase 1 should focus on. Manifestly programming for development could be based on the *Agenda for Change*, the Cotonou Partnership Agreement and the DCI's objectives. It should be noted that the EC's proposal for the *Agenda for Change* could still see a strengthening or weakening of certain points when it will be adopted by the Council of the EU in May 2012 and thus could still be adapted.[16] Similarly those parts of the EU response strategies falling under the MFF also have to pass the European Parliament's democratic scrutiny before they can enter into force[17].

Second, it is foreseen to orient the EU response strategy towards the capacity of a respective Delegation. That is if a Delegation has less capacity the EU response drafted by it should be less ambitious than that of a Delegation with more capacity in another country. This, however, seems counterintuitive as EU programming should rather be based on a partner country's needs than on the current capacity of a Delegation as this could be adapted or changed.

2. EU programming to synchronize with national planning of partner countries

Following the emphasis on the autonomy and legitimacy of partner countries' own systems and frameworks as outlined in the past three High-level Fora on Aid Effectiveness, the EU would this time seem to more significantly adapt its approach in programming more to this paradigm.[18]

EU Delegations are now required to take a partner country's national development plan or reform strategy – or documents equivalent to such a national plan – as the basis for programming.[19] This means that flexibly synchronising EU planning cycles with that of each partner country will become the rule as of 2014. In ACP countries, the drafting of an EU response strategy is foreseen to be undertaken jointly with National Authorising Officers or their regional equivalents and in consultation with local civil society. In non-ACP countries, however, respective interlocutors will have to be sought.

This new approach also implies that County Strategy Papers (CSPs), that used to be drafted by the EU institutions for the entire 7 years timeframe of a financial instrument while only offering partner countries the opportunity to highlight their main concerns regarding non-aid policies, will become the exception. At

[16] Moreover, the ordinary legislative procedure for the proposed DCI Regulation may also still have further implications for the programming and implementation of development cooperation financed thereunder.

[17] Pending a decision on delegated acts the EP could get a veto right on the EU response strategies. For a detailed overview of the new comitology procedure post-Lisbon see Hardacre/Kaeding: 2012.

[18] A strong basis for this push is provided by the EU's operational framework on aid effectiveness for example.

[19] Though by no means the norm, such national development plans have often been criticised as being largely drafted by International Financial Institution officials and/or other foreign experts, mostly as a requirement to receive ODA. The varying degrees of 'representativeness' of these national policies and the extent to which these are politically owned by the countries concerned is not problematized in the EC documents.

the same time Delegations will have to try to find areas of mutual interest in a partner country's national plan and strategy to identify three sectors fitting with the priorities identified in the EC's development policy.

Difficulties might arise when it comes to partner countries priorities beyond development, such as increased military spending for national security[20] or counter-terrorism measures that cannot be supported by DCI and EDF due to non-ODA-eligibility and/or might be contradictory to EU objectives. Also in accordance with Annex IV of the Cotonou Agreement CSPs will remain necessary in case no agreement can be reached with a partner country to use the national plan as a basis for EU programming, or in the absence of such a plan.[21] It is also conceivable in cases there is insufficient partner country ownership to this national plan (e.g. in case of a recent change of government).

Box 2: Special case: Programming in conflict affected, fragile and transition countries

Given the nature, special requirements and need for enhanced conflict-sensitivity in conflict-affected, fragile and transition countries, special regulations apply for programming here:

1) An own EU CSP can still be drafted in case of a lack of a national development plan or in case of significant ethical impediments of aligning to such a plan

2) Strongest push and need for the EU (policy areas, member states) to act as one entity

3) More funds can be kept unallocated to allow a higher degree of flexibility and swift (re)programming

4) (Re-)programming process to focus on addressing root causes of conflict and fragility or crisis

5) Programming documents to be reviewed ad-hoc if and when needed to ensure the transition to long-term development

Source: EC/EEAS (2011) Global Europe: A New Approach to financing EU external action

In most cases this will lead to Delegations drafting an *EU response strategy* based on a partner country's national plan. However, elements of *political, economic and social analysis* and *response strategy* familiar to partner countries from traditional CSPs will be recognisable in assessment and drafting of the new response strategies. Other elements, e.g. keeping a certain amount of funds unallocated to allow for more flexibility, already existed for the EDF national programming in the form of the so-called 'B enveloped' but are new for the DCI and may also be introduced in EDF regional programmes. Driven by the objective of more country ownership the concentration of EU assistance on three sectors in most cases will be based on consultation with a partner country but will need to be in agreement with EU priorities such as human rights, tax policies, or regional integration[22] (cf. Annex 2 for more details).

However, this vision of more ownership by partner countries might risk being undermined by the fact the EU is still reserves the possibility to choose areas that are not reflected in national plans but – in accordance with the EU's core development policy documents – are considered essential for a country's development. This is also reflected in the EU's current practice of using both geographic and thematic programming. Here geographic programming seeks to align cooperation closely to a partner country's priorities, while the thematic programming (e.g. under the DCI) allows for the EU to more directly promote issues of its own policy interest (cf. ECDPM/Particip:2011).

In general consultations with a partner country's government, civil society (and the private sector) would lead to further discussing the EU approach in relation to that country's needs and objectives. In the second

[20] An example of such would be Afghanistan's National Development Strategy subheaded "An Interim Strategy for Security, Governance, Economic Growth & Poverty Reduction".

[21] The EC also notes that for country 'envelopes' of below €50 million in total for the period 2014-2020, e.g. for some small island states, it will not be necessary to draft any form of an EU response strategy as a basis for identifying interventions.

[22] As spelled out in the *Agenda for Change*, for example.

phase of the programming 2012, EU Delegations (and EU member states where applicable) are expected to explain and discuss their so defined EU response strategy with stakeholders in partner countries and regions. Delegations should take into account that previous findings suggest past EC assessments tended to be far too ambitious, particularly regarding an over-optimistic assessment of a partner country's administrative (Council of the EU: 2005) and 'absorption' capacities (European Court of Auditors: 2009). At the same time other findings (European Court of Auditors: 2011) indicate overall strong gains for EU development cooperation in using partner countries' systems. Together these findings call for a realistic analysis of the situation to enable a feasible EU response strategy.

Regarding the new programming's increased emphasis on partner countries' own systems and priorities[23], partner countries will be well advised to prepare for consultations with Delegations in advance. From April 2012 onwards, governments and civil society in partner countries could take the time to pro-actively identify sectors in their national development plans that they analysed as being appropriate for EU support before consultations are launched – namely in phase 1 of the programming process. In general these often very broad national plans will usually still allow the EU a lot of latitude to choose and fit its priorities while staying true to the principles it sets out. Therefore, for partner countries (governments, civil society and the private sector) it will be important to identify sectors and priorities where they believe EU resources and accompanying political dialogue can add the most value. A partner country's proposal of such sectors and priorities will be the more convincing the more it is sufficiently backed by evidence. It will be advisable to partner countries to bring such a proposal in line with an added value for the EU by looking into the EU's priorities as outlined in the *Agenda for Change* (also cf. Annex 2 for a more detailed overview on the choosing of sectors).

Table 2: Key moments for partner countries (governments, civil society, private sector) to proactively approach EU Delegations and EU member states

Timing 2012	EU Delegations (and EU member states) will…	Partner countries could…
Now	Assess partner countries and submit a report to their HQ for those countries in which they deem national plans inappropriate for a basis of EU programming and propose to draft a traditional CSP instead (i.e. less active role for a partner country)	Monitor the process and where appropriate object to such assessment with good arguments
First half[24] of 2012	(Together with NAO/RAO in ACP countries) assess partner countries' national plans and draft a proposal for an EU response to it	Proactively approach Delegations (and EU member states) and propose priority areas to be supported by the EU by taking the EU's and their own perspective into account
Second half of 2012	Organise seminars on a regional basis to discuss the proposed EU approach with partner countries' governments and civil society	Prepare very well for these meetings (identify why the EU should support which sectors over others – from the EU and the partner countries perspective) and be pro-actively involved in the whole planning process
Ad-hoc (in times of crisis)	Re-assess and potentially re-programme EU response strategies in response to unforeseen circumstances in a partner country/region	Get involved as much as possible with the process by building a good on-going dialogue with EU Delegations
Mid-term Review	Re-assess and potentially re-programme EU response strategies based on lessons learned	Inquire when the Mid-Term review would take place and which procedure it would follow

[23] The emphasis given reflects past EU policy discussions on aid effectiveness between the Accra and Busan High Level Fora, as reflected in the consolidated version of the EU's operational framework on aid effectiveness (Council of the EU: 2011a).

[24] Taking into account the institutional year usually breaks into halves around the summer break in August.

It is currently proposed that the EU approach to developing countries is guided by the principle of differentiation. That would mean that the EU would focus its resources on countries it deems "most in need" and on countries where those resources "can have the greatest impact" (EC/EEAS: 2011). Pending the outcome of further discussions with the Council and European Parliament, this could lead to some economically more advanced developing countries receiving reduced or no funding in geographic programmes. Yet those countries would still be eligible to receive development related funds of the DCI's thematic programmes yet this will be significantly less with less consultation on priorities and direction.

3. Voluntary: EU member states to join the programming process

In order to avoid duplication, inconsistence and inefficiency and in line with the EU's new competencies, involving EU member states present in a partner country into these processes would seem desirable and has been strongly promoted by the European Commission in previous decades. Also EU member states formally committed to more joint programming in the run-up to the High-Level Forum in Busan (Council of the EU 2011b:Art. 7(b)). Including EU member states in the programming stage is similar to the procedure described above and essentially involves adding another range of actors into the process of assessment of and consultation with a partner country. The assessments of situations in country might benefit from information available to member states and add to the effectiveness of EU action. Yet the division of labour among more actors in the assessment, consultation, drafting of the strategy and later implementation may lead to complications.

The joint programming with EU member states under the lead of the EEAS, DEVCO respectively will first be 'piloted' in some partner countries, with an emphasis on those countries where investments were made to fast-track EU donor coordination before (cf. Council of the EU:2007). This approach could be considered 'eurocentric' as again more policy consistency with EU member states might be needed more by certain partner countries than by others which might not be identical to those with a good track record of internal EU cooperation before. Based on interviews conducted and broadly in line with the list of high potential countries for joint EU programming (HTSPE:2011) potential pilot countries may be Afghanistan, Bangladesh, Ethiopia, Ghana, Guatemala, Laos, Mali, Moldova, Rwanda, Tunisia and Ukraine.

Problems might arise in the review process of joint EU response strategies at headquarter level. Potential adaptations of the strategy made by the EU institutions headquarter in Brussels cannot have authority to adapt EU member states' plans. The same difficulty arises when during the review process EU member states' national parliaments and headquarters make adaptations without agreement from Brussels. At a later stage in the programming process – after the European institutions own inter-service consultations[25] are launched – however, member states are foreseen to approve indicative programmes and EU response strategies and to further influence their implementation through the relevant comitology committees[26]. In this regard there is room to align the procedures.

[25] During this process all thematically different Commission departments consult on a proposal to ensure that all aspects of the matter in question are taken into account.

[26] Here Commission departments submit draft implementing measures to the "comitology committees" for discussion. These committees consist of representatives from each EU member state and in the case of DCI and EDF are chaired by a DEVCO official while the EEAS is invited to participate, too.
i.e. committees of Member State officials that discuss and inform EU decisions in the further identification and implementation of EU development cooperation

Other challenges might arise by synchronising the distinctive planning cycles of different member states and EU institutions to that of a partner country. If, for example, one EU member state had just finalised its new bilateral country strategies for all its partner countries – as managed by the member state's headquarter – some difficulties might be expected changing the overall cycle around again to make them all start on 1 January 2014[27]. Similarly the EU, due to its own budget cycle, can, at this point in time, only make commitments for the 2014-2020 timeframe. That is, difficulties regarding the synchronisation might also arise at a later stage in time when the EU starts planning for its new budget in 2018 that may be guided by very different parameters than the current one.

In advancing joint programming with member states lessons learned from past experience under the Code of Conduct on Complementarity and Division of Labour (2007) and earlier engagements in joint programming such as discussed in 2006 and leading to two joint-CSPs under the 10th EDF[28] should therefore be taken into account. Particularly the issue of the partner country as the driving force behind development has seen shortcomings in the past. It is yet an unresolved dilemma how external support can best ensure country ownership. This is why challenges associated with the concept of ownership[29] need to be addressed by all actors involved.

Concerns of EU member states regarding visibility, operational difficulty and procedures of identifying complementarity that were anticipated in 2007 already (EC 2007: Section 1.1) also need to be better addressed. Past experience has shown that when it comes to donor coordination in sectors where donors agree on an approach – such as the education sector – perform better than other sectors where donors have different views (e.g. natural resource management) on how to approach them best. Similarly setting joint priorities has proven difficult as those usually reflect EU member states' own political and economic interests as much as EU member states' development policies. Yet, EU member states could benefit from joining forces in terms of higher aid effectiveness or the saving of costs, which a study commissioned by DEVCO (SOGES:2011) estimated at € 5 billion in savings and gains.

3.1. Coherence surplus: Different EU policy areas to be coherent

The joining up of EEAS, DG DEVCO, and their Delegations with EU member states in programming is also meant to take the developmental effect of EU non-aid policies into account when drafting an EU response strategy. The requirement to take account of development objectives when preparing new EU policies is reflected in Article 208 of the Treaty and referred to in policy documents as *Policy Coherence for Development* (PCD). The mandate of the Head of Delegation includes this as a responsibility. Programming can thus play a supplementary role in informing EU policy debates. It could look into how EU policy areas as diverse and potentially contradictory as trade and finance, climate change, food security, migration, security and development need to be shaped so that they do not undermine and where possible contribute to realising development objectives.

In terms of programming this may mean that in addition to an EU response a so-called *Joint Framework Document (JFD)* is drafted that goes beyond the EU's development cooperation with a country. Instead a JFD would outline all other EU policies affecting a partner country such as security, migration or climate

[27] Yet for an assessment of the feasibility (66%) of aligning MS programming cycles also see HTSPE:2011.

[28] Namely Sierra Leone and South Africa. In a recent EC global thematic evaluation the joint CSP (EC-DFID) in Sierra Leone was found to be useful in framing joint action and strategic complementarity.

[29] To name but a few examples: Outside support is meant to create more self-government. Foreigners are involved in defining "legitimate" politics. "Universal" values are promoted as a remedy for local problems (cf. Paris/Sisk: 2007). Yet through more effective harmonisation/cooperation at EU level potential policy contradictions and the administrative burden on partner countries could be reduced. This could create opportunities for improved ownership.

change. It would spell out a joint EU vision regarding all of these policy areas. This would, for example, apply to better alignment of national and regional programmes with EU involvement and is particularly important in cooperation with countries in transition (out of conflict, crisis or fragility). It is yet unclear whether partner countries would be as equally consulted on JFDs as on the EU response strategies. JFDs are foreseen to be publicly available documents though.

Past experience acknowledges limited political commitment to PCD from sectors beyond development that design policies with their own objectives and priorities in mind. An additional problem poses the lack of sufficient evidence on the actual effects of EU policies in developing countries due to lack of investment in research. Moreover, promoting PCD at the country level would require acceptance by all actors involved for a coordination role by one EU actor in country. Similarly partner countries have rarely been questioned about their priorities when it comes to policy coherence.

Particularly useful would be a more intensive role played by Delegations in monitoring the actual effects of EU action in view of the knowledge gap observed above that is also often confirmed in official Impact Assessments. In that regard, the programming could be a useful tool to help determine which EU policies (including but going beyond EU development policy) matter most to the development of particular countries and regions. Overall JFDs and PCD requirements together with the programming process offer a window of opportunity to the EEAS to fulfil its mandate as the service ensuring more consistent and effective external action.

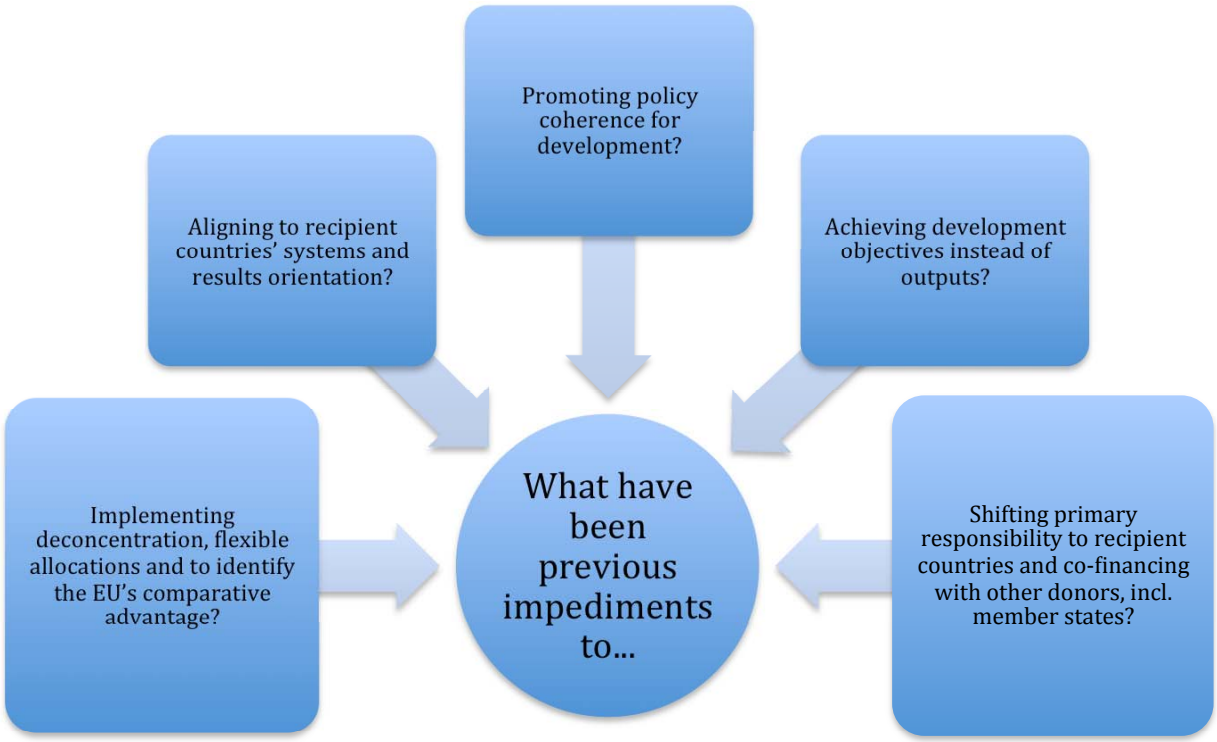
4. The remedy is the experience: Adapt EU development policy to the global context

It is a positive sign that partner countries' own strategies and policy cycles become the starting point of EU development programming. It shows a re-commitment to aid effectiveness and the partnership approach the EU signed up to. It also reflects the global context of aid and leaves room for partner countries to play a more pro-active role in EU support to their countries. There is reason for optimism if all those involved in the programming process take up the space given to them. At the same time there is a risk that despite innovative ideas EU development coordination will remain the same as it is now.

In the past it has, for example, proven difficult in the field for all actors to engage in harmonised ways with partner countries. More and better management in the form of facilitation, preparatory work and incentives to ensure everyone's buy-in are needed. Small acts like informing key stakeholders of opportunities, reducing the "noise" from internal EU struggles and focussing on the advantage of partner countries all can support putting the new programming into practice.

The new approach towards programming is reminiscent of previous approaches to mitigate shortcomings in the EU's development policy. This is why it will be indispensable to take previous lessons into account.

Figure 7: Taking previous lessons into account



Given past experience, EU institutional actors and member states now have the opportunity to apply lessons learned and prepare European development policy for the political-economic and social realities of least developed countries, more developed countries, transition and conflict affected countries and regions of the 21st century.

While the programming process will remain a "moveable feast" with input from Delegations, EEAS and EC headquarters, partner countries and potentially EU member states, the EU as a whole has a chance to leave internal friction behind and present itself as an effective and powerful partner that speaks with one voice. This best case scenario calls for providing Delegations and headquarters with the capacities and the managerial systems that will enable them to gradually create the credibility and trust with key partners in order to become this more effective player.

The overarching objective and priority as set out in the *European Consensus on Development* (2005), the Lisbon Treaty (2009), the DCI proposal and the *Agenda for Change* (2011) are to alleviate poverty and are likely to feature high in the programming process. Yet the development community could remind Delegations and Brussels headquarter of these objectives during the programming process. It is, for example, yet unclear which instruments would be proposed to finance security related aspects like counter terrorism of so-called *integrated strategies* that combine development and security aspects[30] of EU external action in the long-run.

Compared to the previous programming process the respective programming responsibilities for development cooperation of the EEAS and DEVCO have led to transferring one more responsibility to the EC's development experts. Unlike before when this responsibility was with the EC pre-Lisbon external

[30] Two examples of such strategies would be (1) The Strategy for Security and Development in the Sahel and (2) A Strategic Framework for the Horn of Africa.

relations Directorate General RELEX, EC development officials now have a say on EDF and DCI geographic programming, in addition to their traditional lead responsibility on DCI thematic programming. This very fact in combination with the overall aim of EU development policy minimizes the risk of orienting development cooperation closer to security or economic objectives. Also the *Agenda for Change* is presumably the principal guiding policy framework programming will follow this and next year. Nevertheless the entwined competences of DEVCO and EEAS do pose a risk to aid and development effectiveness if both actors do not take into account that joint programming is a cooperative game. This is as valid for the involvement of EU member states.

Indeed the new features of the programming process are built on a number of previous elements that could mean actors fall back into bad habits. Yet the new components provide an opportunity and also aim to improve policy consistency and effectiveness. To help to ensure this in practice, the analysis of this paper suggests that the following points are crucial for various stakeholders:

Table 3: Important points for EU headquarters, EU Delegations and member states and partner countries

<table>
<tr><th>For the EU Headquarters</th><th>For EU Delegations
and EU member states</th><th>For partner countries
(governments, civil society etc.)</th></tr>
<tr><td>Ensure that the overall assessment prepared by Delegations is going to be checked against the EU's objectives as laid out in the Agenda for Change, the Cotonou Agreement and the DCI</td><td>Be aware that a partner country's national plan might have objectives beyond development as defined in the EU Treaty and be open to input from partner countries</td><td>For governments and civil society to pro-actively identify sectors in their national development plans that they analysed as appropriate for EU support before official consultations (obligatory in ACP-countries) are launched</td></tr>
<tr><td>Ensure win-win situation result of the entwined competences of DG DEVCO and the EEAS in the geographical and thematic programming process and avoid zero-sum games</td><td colspan="2">Ensure lessons learnt from past experience under the Code of Conduct on Complementarity and Division of labour (2007) and donor harmonisation in general are taken into account before programming jointly with member states</td></tr>
<tr><td colspan="2">For all of the EU to ensure ambitions outlined can be met.
To take lessons learned from previous unmet aims and objectives into account. Particularly when it come to the EU's comparative advantage which forms one of the central points of programming</td><td>To look back and draw lessons from past experience with EU Delegations and EU member states, particularly when mutual interest and/or expectations were not met</td></tr>
<tr><td colspan="2">To incentivise EU Delegations, EU headquarters and EU member states to engage in resource-intense new processes in order to create the opportunities to de facto implement the new approach.</td><td>To pro-actively engage with EU Delegations (and EU member states) and not to wait to be consulted and/or approached</td></tr>
</table>

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Annex 1: Working arrangements for EDF and DCI Programming

EDF and DCI geographic programming	DCI thematic programming
The EEAS (in agreement with DEVCO) prepares aid allocations per country and region and indicative country allocations	DEVCO prepares programmes under the guidance of the Commissioner for Development
EU Delegations will launch consultations with the partner country (in coordination with EU member states and third countries)	DEVCO will consult with stakeholders and invite the EEAS and other relevant EC services
EU Delegations send proposals for Strategy Papers and Indicative Programmes to the EEAS and DEVCO	DEVCO prepares proposals of strategy papers and indicative programmes (in consultation with the EEAS and other EC services) Region or country allocations to be agreed with the EEAS
The EEAS organizes Country team meetings (CTM) (jointly with DEVCO) and invites other relevant EC services	DEVCO organizes Thematic team meetings and invites the EEAS and other EC services
EEAS and DEVCO agree with the inter-service Quality Support Group (iQSG) on a calendar for submitting indicative programmes	The EC agrees with the inter-service Quality Support Group (iQSG) on a calendar for submitting indicative programmes
Following agreement from the EC Commissioner for Development the EEAS, in agreement with DEVCO, launches inter-service consultations with all EC services	Following agreement from the EC Commissioner for Development DEVCO launches inter-service consultations with all EC services and the EEAS
Chaired by DEVCO (in agreement with the EEAS) EU member states deliver their opinion	Chaired by DEVCO EU member states deliver their opinion (EEAS and other EC services are invited)
EEAS and DEVCO are responsible for replying to queries from the European Parliament (democratic scrutiny)	DEVCO is responsible for replying to queries from the European Parliament (democratic scrutiny)
Launched by the EEAS in agreement with DEVCO and under the responsibility of the Commissioner for Development the Commission adopts the decision and the document is signed with the partner country or region.	Launched by DEVCO in agreement with the EEAS and under the responsibility of the Commissioner for Development the Commission adopts the decision
DEVCO prepares Annual Action Programmes	

Source: EC/EEAS: 2012

Annex 2: Choosing sectors in accordance with EU Development Policy and the *Agenda for Change*

EU actors will look for the following priorities in national development plans to align to:

1. Human rights, democracy and good governance
2. Inclusive and sustainable growth benefitting and advancing the majority of the population
3. Cross-cutting issues like climate change, gender equality, children's rights or health

EU actors will have to justify their choosing of sectors and objectives.
Their arguments will be based on the following additional elements:

- Which are the objectives of the partner country's national plan (where such a plan will be the basis for programming)?
- Which overarching objectives do you aim at with your EU support?
- Taking the two previous questions into account: Are there mutual objectives?
- If yes, are these mutual objectives in line with EU priorities (see above)?
- Which EU support actions will help to achieve these objectives?
- Can you break them down into smaller step results you expect from focusing on particular actions and sectors?
- How can the process of achieving those results be measured?
- In how far does this match with what the partner country's government has committed to?
- Are there any risks associated with following the identified path towards achieving these objectives?

About ECDPM

ECDPM was established in 1986 as an independent foundation to improve European cooperation with the group of African, Caribbean and Pacific countries (ACP). Its main goal today is to broker effective partnerships between the European Union and the developing world, especially Africa. ECDPM promotes inclusive forms of development and cooperates with public and private sector organisations to better manage international relations. It also supports the reform of policies and institutions in both Europe and the developing world. One of ECDPM's key strengths is its extensive network of relations in developing countries, including emerging economies. Among its partners are multilateral institutions, international centres of excellence and a broad range of state and non-state organisations.

Thematic priorities

ECDPM organises its work around four themes:

- Reconciling values and interests in the external action of the EU and other international players
- Promoting economic governance and trade for inclusive and sustainable growth
- Supporting societal dynamics of change related to democracy and governance in developing countries, particularly Africa
- Addressing food security as a global public good through information and support to regional integration, markets and agriculture

Approach

ECDPM is a "think and do tank". It links policies and practice using a mix of roles and methods. ECDPM organises and facilitates policy dialogues, provides tailor-made analysis and advice, participates in South-North networks and does policy-oriented research with partners from the South.

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ECDPM Discussion Papers present initial findings of work-in-progress at the Centre to facilitate meaningful and substantive exchange on key policy questions. The aim is to stimulate broader reflection and informed debate on EU external action, with a focus on relations with countries in the South.

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