Briefing Note

No. 26 – September 2011

European Centre for Development Policy Management
ecdpm

EU support to governance at a critical juncture:

Will the new EU external action architecture deliver smarter support to governance in partner countries?

Alisa Herrero Cangas and Niels Keijzer[1]

About this note

Recent research findings, based on advanced political economy analysis, suggest that donors' support to governance does not work because it is too normative and not smart enough. In recent years, donors, including the European Commission (EC), have become increasingly receptive to these findings. Over the past 5 years, the EC has taken important steps towards embracing a more analytical, context-sensitive, politically aware and realistic approach to governance support. However, the recent merger of two Directorate Generals, DG EuropeAid and DG Dev, has introduced some radical changes that affect the EC's capacity to continue pushing the governance agenda forward effectively. Next week, the EC will publish a package of Communications aimed at increasing the impact of EU development policy. EU support to governance features very high on the agenda and it is expected that financial support will be scaled up in the years to come. This note suggests that the institutional reform has introduced changes that limit EU's capacity to develop smart policies and deliver quality support to governance in partner countries. We argue that EU support to governance will be unsuccessful unless strong investments are made to address new gaps and institutional capacity challenges.

The note is divided into five different sections:

- Section I summarises the most important findings and emerging lessons on donor and EC support to governance;
- Section II examines how the EC has tried to take the governance agenda forward, both at policy and implementation levels;
- Section III critically assesses the recent reorganisation of DEVCO, in particular regarding EC's capacity to provide quality support in the field of governance;
- Section IV draws attention to areas that may work against EEAS and DEVCO's stated mission of ensuring a political, coherent, and effective EU external action in the field of governance support;
- Section V looks ahead to the near future and reiterates that the current EU external action architecture may be unable to meet policy ambitions unless institutional capacity challenges are addressed.

[1] The authors would like to thank Jean Bossuyt and Jan Vanheukelom (ECDPM) for their comments on a draft version of this Note.

I: Why is governance support not working for development?

Governance is on the top of donors' political agenda. During the last decade, the EU – alongside other international donors – has invested considerable energy and resources in supporting governance in developing countries through a wide range of strategies, approaches and instruments. OECD countries spend on average 7 billion EUR per year (the EC alone accounts for 2 billion[2]) supporting governance abroad in a broad range of areas including human rights, democratisation, state reform, decentralisation and local governance, rule of law, domestic accountability, civil society participation, anti-corruption, natural resources management, governance of financial flows.

Yet, supporting governance effectively has proven to be a highly demanding and frequently frustrating task. While valuable contributions have been made, the EU has faced many hurdles, constraints and limitations when helping to strengthen governance 'from the outside'. Despite donors' political and financial commitment to support governance various evaluations[3] and recent research show that efforts are not yielding the desired results. Findings indicate that governance support actually fails to work for development[4] most of the time.

It appears that donors, generally speaking, tend to be quite normative about governance. They have often equated progress (or development) with a linear trajectory based on OECD standards, assuming that technical inputs and institutional support will automatically lead to change. As a result, donor support has mainly followed a blueprint approach, focusing on formal institutions (such as elections, parliamentary assemblies or anti-corruption commissions), and on engaging with actors that do not disturb the political balance (e.g. safe civil society that focus on service delivery).

However, there is also a trend among donors that tries to understand governance as *"the state's ability to serve the citizens. It refers to rules, processes and behaviour by which interests are articulated, resources are managed and power is exercised in society"* (COM 615/2003) and to think about change, reforms and development in more political terms. Donors are increasingly paying attention to a growing body of knowledge based on advanced political economy analysis. This body of research contends that supporting governance requires in the first place a nuanced understanding of local political dynamics (i.e. the structures, relationships, interests and incentives that underpin formal institutions). There is evidence that change cannot be enforced from the outside and that 'working with the grain'[5] (building on existing values, cultural beliefs, and behavioural patterns) tends to be more effective than adopting a blueprint approach. Donors need to be more realistic on what actually can be achieved over a limited period of time Development is a long, slow, and reversible process that certainly stretches beyond the average aid programming cycle, and which depends largely from local dynamics. This implies moving away from "best practice" and embracing a "best fit" approach. Instead of focusing on an ideal governance situation (based on OECD standards), donors ought to focus on 'good enough governance'[6] and target fewer and more feasible interventions, tailored to country-specific conditions. Although donors have been quite wary about engaging in domestic politics, their interventions will need to be more political than technical if they want to improve governance. At the end of the day, it is all about power being redistributed and incentive structures

[2] EuropeAid annual reports 2007, 2008, 2009. These figures include activities in the judicial and legal sector, public administration, civil society, human rights, elections, gender, security, conflict prevention and resolution, peace consolidation, demining and desarmament.
[3] EC global evaluation on support to governance (2005), EC evaluation on aid channelled through civil society (2008), Multi-donor evaluation on "Voice and accountability" (2008).
[4] David Booth, 2011.
[5] David Booth, 2011.
[6] Merilee Grindle, 2001, 2005, 2007.

changed. Donors need to realise that in order to do this effectively they need to adapt their own organisations, values, practices and behaviour, and adopt "an upside view on governance"[7].

II: EC efforts to embrace a smarter approach towards governance support

Over the past 10 years, EU policy commitments have gradually translated into a policy framework and implementation strategies that combine normative elements (policies based on fundamental principles and values) with increasingly specific and analytical operational guidance.

The first formal reference to governance appeared in the ACP-EU Cotonou Partnership Agreement (2000). Parties agreed to consider governance as a 'fundamental element' underpinning the Cotonou partnership, with a focus on public resources management. In 2003 the Commission developed the first specific Communication on 'Governance and Development' (COM 615/2003), where the political and societal dimensions of governance (i.e. human rights, democracy, the rule of law, civil society and decentralized government) came to the forefront. Building on this broader interpretation of governance, the Draft EC 'Handbook on promoting good governance' published in 2004 recognised six major governance clusters: (1) support for democratisation; (2) promotion and protection of human rights; (3) reinforcement of the rule of law and the administration of justice; (4) enhancement of the role of civil society and its capacity building; (5) public administration reform, management of public finances and civil service reform; (6) decentralisation and local government reform and (7) capacity building.

In 2005, the European Consensus on Development (2006/C46/01) reflected the EU's commitment to participatory in-country dialogue on governance as a means to build country-driven reform programmes that would uphold Europe's democratic values. Good governance, democracy and respect for human rights were defined as integral to the process of sustainable development and major objectives of EU development policy.

In 2005, the EC commissioned an external evaluation that looked into the relevance, efficiency, effectiveness and sustainability of the EC's support to good governance[8] at the global level (1994-2004). The evaluation praised the EC for putting governance at the top of its political agenda. But it also pointed to major gaps between centrally defined policy frameworks and actual implementation practices in the field. It found that programming was rarely informed by a political economy analysis. Implementation was very often disconnected from endogenous-led processes and portrayed a narrow vision of ownership. Impact on institutional change was uncertain, partly given the short time-span of interventions. External stakeholders widely saw EC's primary role (and focus of interest) largely limited to management and administration. Institutional constraints (including cumbersome procedures, high staff turnover, an inadequate incentive system) hampered effective and efficient EC action in support of governance. In order to provide effective governance support, the EC needed to combine its three main identities: political player, development agency and major donor administration (accountable for managing substantial aid volumes).

In 2006, the EC issued a communication on Governance in the European Consensus on Development: towards a harmonised approach within the EU (COM 2006/421). The EU defines governance as "*a process of long-term change, based on universal objectives and principles and common aspirations that must inform the main functions of government, all areas of state intervention and the interaction of public institutions and citizens*". In line with the Paris Declaration, the Communication sought to increase the

[7] Sue Unsworth, 2010.
[8] See: http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/2006/884_docs_en.htm

effectiveness of governance support by relying more on (harmonised) dialogue and less on sanctions and conditionalities. The Communication also presented plans to create a 'governance incentive tranche'. An analysis of the governance situation would serve as an input to a Governance Action Plan, which would lead to a "top-up" in financial resources to the respective country[9]. With the exception of a Communication on "Local authorities as actors in development" (SEC(2008)2570) (which did not bring any substantial innovations) EC's overall policy on governance has remained relatively constant ever since. New policy orientations might follow the upcoming Communication on "Increasing the impact of EU Development Policy: An Agenda for Change", or in the Communication on civil society that might be included in next year's Commission Work Programme.

On the implementation side the EC made significant progress to translate policy into effective practice. In 2005, EuropeAid created a dedicated directorate (Directorate E) in charge of providing quality support throughout the cooperation cycle to Delegations and geographical directorates. One of the Directorate Units was specifically in charge of governance (Unit E4). The Governance Unit covered a broad range of thematic issues and its work involved developing training, knowledge products, and analytical tools; reaching out to Delegations and colleagues working in Brussels on specific sector support interventions; reaching out to multiple stakeholders in partner countries; moving away from a state centred approach to development; and networking with a broader community of donors and practitioners on governance issues. The Governance Unit functioned as a central quality hub and spearheaded a learning process aimed at making EC aid increasingly context sensitive and politically aware[10].

It is beyond the scope of this article to examine in detail all the manuals produced,[11] but the table below includes some examples that illustrate EuropeAid efforts over the past 5 years to adopt an increasingly smarter (this is context sensitive, politically aware, realistic) approach to development cooperation and governance support.

EC efforts towards an increasingly smarter approach to governance support

In 2007 the EC published a Reference document on '**Supporting Decentralisation and Local governance in third countries**.'[12] The tool offers guidance on how to understand the 'politics' of decentralisation and local governance processes; how best to support the formulation and implementation of nationally and locally owned decentralisation policies; and howto improve the coherence between sector support (e.g. in health or education) and ongoing decentralisation processes.

In 2008, the EC issued a Reference document on '**Analysing and addressing governance in sector operations**.'[13] This was the EC's first attempt to embrace a political economy approach. Its governance analysis framework offers step-by-step guidance for revealing the governance dimensions and actors that matter most for development. EuropeAid has integrated the tool and the reference document into its

[9] The question whether Governance Action Plans actually translated into concrete actions in the field is beyond the scope of this paper, but a recent study on the Governance Initiative suggests that this was actually not always the case.

[10] Despite the investments made by HQ in developing analytical guidance for practitioners working in Delegations, it is unclear whether these documents are effectively used in Delegations, and have actually improved practice. There seems to be a lack of 'absorption capacity' linked to the high amounts of time Delegation officials spend on administrative/reporting tasks in relation to learning new skills and building core knowledge. It could also relate to the marginalization of 'governance' as a topic, which is perceived to be softer than the management of often large support programmes in areas such as infrastructure and economic development.

[11] Methodological guide on electoral assistance (2006); Conceptual note on public sector reform (2009); Reference document on engaging parliaments (2010); Reference document on supporting justice in ACP countries; Conceptual note on anti-corruption strategies (2011); Conceptual guidance on fighting against drugs and related training modules in all these areas.

[12] http://www.dpwg-lgd.org/cms/upload/pdf/supporting-DLG_thirdcountries.pdf

[13] http://ec.europa.eu/europeaid/infopoint/publications/europeaid/documents/149a_governance_layout_090306_en.pdf

training package for governance advisors. The document has stimulated operational sector units to tailor the tool to the specific realities of particular sectors: water, environment, natural resources, transport and trade facilitation.

The EC launched in 2008 an ambitious and comprehensive reform to overhaul the Technical Cooperation funded by the EC. The '**Backbone Strategy on Reforming Technical Cooperation and Project Implementation Units**' includes 'hardware' changes to systems and tools, and 'software' changes to the practices and behaviour of all EC cooperation stakeholders[14]. One of the main tools that has emerged from this initiative is **Capacity4Development**, an interactive platform of development practitioners aimed at enhancing knowledge through the exchange of practices on effective international cooperation[15].

In 2009, the EC developed guidelines on how to conduct **non-state actors mappings** to identify partners with whom to engage more strategically at country or sector level, taking into account formal and informal dynamics between state and non-state actors. These guidelines where complemented in 2011 by a new Reference Document providing practical guidance on '**Engaging Non-State Actors in New Aid Modalities**'. Involving NSAs in general budget and sector budget support ensures wider country ownership, better development outcomes and improved governance and domestic accountability.

In 2010, the EC issued a Reference Document on "**Engaging and Supporting Parliaments worldwide**", offering a comprehensive step-by-step methodology for assessing parliaments performance and identifying entry points for context-specific parliamentary support programmes.

Recently, the EC has embarked on a far-reaching process, **the Project and Programme Cycle Management (PPCM) programme**, which aims at designing a single set of guidelines that will address current duplications and gaps; mainstream the use of political economy and risk management; strengthen the evidence-base for decision making; embed policy dialogue throughout the cooperation cycle and improve the sequencing and linkages between aid modalities. This sets a framework with revolutionary implications on the way governance support strategies are conceived and delivered, and therefore holds a strong potential to improve the quality of development cooperation.

However, the logic of political economy analysis does not seem to always go hand-in-hand with the predominant "managing for results" logic deriving from the aid effectiveness agenda. At the higher levels of the aid hierarchy there are strong incentives to show short-term visible results. The EC's Green Paper on Development demonstrates this strong focus on results and impact. EU development cooperation needs to provide 'value for money' to ensure continued support from EU taxpayers. This explicit focus can increase pressure to disburse funds within short timescales and favors the disbursement of funds in ways that are familiar and uncomplicated.[16]

This logic is also reflected in the forthcoming EC communication on budget support. The EC proposes that general budget support is provided *"where there is trust and confidence that aid will be spent pursuing the values and objectives to which the EU subscribes and to which partner country commits itself to move towards meeting international standards (…) The EC will decide whether pre-conditions exist*[17] *to entrust a Good Governance Contract to a partner where fundamental values of human rights, democracy, and rule of law exist (…) and where Good Governance Contract will clearly act as a driver to accelerate this movement".* It is assumed that risks decrease if a country is eligible for the governance contract.

[14] For more info and available tools see http://capacity4dev.ec.europa.eu/article/backbone-strategy-what-who-where
[15] See http://capacity4dev.ec.europa.eu/home
[16] Booth, 2011.
[17] The Commission will continue to apply the following eligibility criteria: a stable macro-economic framework; the country's policy and reforms (at national and sector levels); public financial management; and will introduce a new criteria on budget transparency and overview.

III: DEVCO's reorganisation: one step forward, two steps back?

The creation of the EEAS required some institutional adjustments on the side of the EC. When the Barroso II Commission took office in February 2010, the Lisbon Treaty had just recently taken effect, but it took the College of Commissioners until the 27th of October 2010 to decide to merge DG DEV and DG AIDCO into one new Directorate General. In previous years, both outsiders and insiders (including the then Development Commissioner) had pointed to significant overlaps and duplications between the two DGs, as well as cases where the two DGs seemed to have different views on how to shape new policies and interpret current policies. While there is no information in the public domain on whether other scenarios were considered by the College, it is thus clear that a lot of people had called for such a merger and welcomed the decision. The merger of DG DEV and DG EuropeAid responded to four objectives:[18]

- First, to bring EC development policy design and implementation together again (they were institutionally separated in January 2001) to ensure that policy-making better responds to field realities, and implementation follows the political objectives pursued by the EU.
- Second, to rationalise workforce and concentrate expertise in one single DG, in view of creating one 'centre of excellence' in both the design and delivery of cooperation policies.
- Third, to provide a single interlocutor for EEAS and EC Directorates General in order to strengthen coherence for external action and promote policy coherence for development regarding other EU policy areas.
- Finally, the creation of DEVCO aimed to simplify communication with Delegations.

These are all laudable objectives. However, some observers have expressed concerns that the changes introduced by the reform may curtail the EC's capacity to design new (smart, evidence-based) policies and provide quality support and guidance to EU delegations. Although it is too early to draw firm conclusions on DEVCO's capacity to achieve its stated objectives, there are sufficient grounds to be alarmed.

One the most striking changes in the new DEVCO organigramme (compared to the previous situation) is the disappearance of EuropeAid's Directorate E, formerly responsible for providing quality support at sector level. Instead, DEVCO will now operate with one transversal directorate (Dir. B dealing with Quality and Impact) and two thematic directorates (Dir. C dealing with Sustainable Growth and Development, and Dir. D dealing with Human and Society Development). The thematic directorates are supposed to develop state-of-the-art sector policies, follow the implementation of individual EU sectoral policies, provide support to Delegations and Geographical Directorates in terms of programming when needed, guarantee coherence of policy and implementation of methodologies between regions; and contribute at international level to thematic work related to governance. They also have to manage numerous thematic programmes themselves.

The new top management of DEVCO decided to relocate thematic expertise throughout geographic units, an extremely complicated process involving over 1500 staff members. This relocation has led to a substantial loss of capacity and manpower in thematic directorates but has not necessarily resulted in an equally substantial strengthening of expertise at geographical level. The thematic units risk being absorbed by routine tasks required in the management of thematic instruments, to the detriment of providing thematic/sectoral backstopping to both geographic directorates and EU Delegations, participating in Quality Support Groups (QSG), developing policy and guidance, and ensuring overall coherence. The new Holy

[18] For a full report of Fokion Fotiadis, Director-General of the European Commission's DEVCO speech on the reorganisation delivered to the European Parliament's Development Committee on 26 May 2011 see http://www.ecdpm-talkingpoints.org/983/

Grail seems to be the establishment of 'thematic learning networks', that connect different geographical directorates and otherwise scattered staff, but such efforts have already proved largely ineffective in the past (actually this was what motivated the creation of Directorate E in 2005). Moreover, senior management from thematic units has already indicated that there will be budgetary cuts affecting Brussels-based officials to travel to Delegations. This may be a strategic mistake and lead to widening the gap between HQ generated policy (including the design of thematic instruments) and implementation in the field. Under this new setting, it is questionable whether DEVCO will be able to meet Delegations' growing demands for strategic and operational guidance, and offer quality backstopping in all sectors and thematic areas, governance in particular.

The reorganisation and disappearance of the Unit specifically in charge of governance means, in practice, that:

- The governance agenda has been diluted and fragmented[19], there are now 4 different units, plus the Geographic directorates, dealing with interconnected governance issues separately;
- There has been a considerable loss of knowledge, experience and institutional memory on key issues such as budget support, public finance management, and decentralisation;
- The EC no longer has a dedicated team with sufficient critical mass and the organisational steer to "go out", "serve" and "inform" development interventions affecting governance;
- There is no further push to mainstream and stimulate organisational learning on governance in a coherent way that connects both policy and implementation levels;
- Delegation officials have reported difficulties in identifying the best focal point to seek advice from on governance issues, or to paraphrase Henry Kissinger: "Who do I call when I want to speak to Brussels about governance?".

Given all these weaknesses these weaknesses within DEVCO in terms of 'handling governance', one can expect that the merger of DG DEV and EuropeAid may not result in optimal cooperation on governance issues with the European External Action Service (EEAS), for instance in joined-up analysis. One can also anticipate a general lack of consistency between development and other components of EU external action led by the EEAS, which affect governance, accountability and development outcomes.

IV: Mind the gaps between EEAS and DEVCO

Let us first briefly review the mandates of the different institutions within the new EU external action architecture. The EEAS is responsible for ensuring that EU policy with an external dimension – defined by Lisbon as environment, development, security, trade[20] – is coherent with the general line of EU foreign policy in a specific region or country. It is also responsible for ensuring allocation and programming of development cooperation aid. Political dialogue falls therefore under its responsibility. DEVCO on the other hand is responsible for defining development policy, promoting policy coherence for development, and ensuring development policy implementation. DEVCO is therefore in charge of conducting policy dialogue

[19] Prior to the reorganisation, one team of staff in EuropeAid (Unit E4) was in charge of justice, security, human rights, conflict prevention, peace-building, democratisation (including electoral processes, parliaments, and media), civil society, gender, vulnerable groups, public administration reform, decentralisation and anti-corruption. This unit also ensured horizontal coherency of the governance agenda at geographic level and sector level. After the reorganisation, conflict-prevention and peace building now fall under DEVCO's Unit A5, which is in charge of fragility and crisis situations. Security has become an orphan topic. The unit in charge of 'Non-State Actors and Civil Society' (Unit D2) now leads all work related to civil society and local authorities, but with a strong focus on the thematic instrument with the same name. Two different units now deal with decentralisation (Unit D2) and public sector reform (D1), and only one person now does work previously done by 4 (from 2005-2010, the envelope to support decentralisation amounted to 1.9 billion EUR and 203 projects). The reorganisation also dismantled the Unit previously dealing with Budget Support (former E1). None of the officials working in the Unit are now part of the DEVCO A/2 now dealing with the same issues.

[20] Though given today's globalised world it would be hard to find an EU policy that would not have any effects on third countries.

at sector level. In the field, the Heads of the EU Delegations report to both the EEAS and DEVCO, while they also include political advisors that report exclusively to the EEAS, and operational sections that report to DEVCO. Delegations are supposed to coordinate joint positions of the EU, play a coordinating role at the political level and participate in policy dialogue (including at sector level and in budget support groups).

The modus operandi between the EEAS and DEVCO is still very much under discussion, but there are several areas that need to be carefully considered, as they can become obstacles to a more coherent, political and effective EU external action in the field of governance support. If the EU wants to engage strategically in the field of governance, it needs to clarify and be explicit about its own political agenda, first and foremost through ensuring there is coherence between the values promoted and the interests that are sought. In this respect, it is also crucial that Member States interests do not prevail over the EU's governance political agenda. Furthermore, EEAS and DEVCO need to work out their task division, and ensure a drive towards joint action:

a. ***In programming.*** The EEAS is in the process of defining new programming guidelines, yet it remains unclear how these programming guidelines will fit with the Programme and Project Cycle Management (PPCM) guidelines, under development by DEVCO, particularly with regards to the use of political economy for context analysis. Will the EEAS also rely on political economy analysis tools which DEVCO has been exploring for the PPCM guidelines? Will DEVCO's dynamic context analysis during implementation inform future EEAS programming? Although political economy analysis is not a silver bullet, embracing such an analytical approach can help the EU assess whether results may be achieved or not. Such political economy analysis should not become a stand-alone exercise, but should be conducted on a regular basis, from programming to monitoring of implementation.

b. ***In dialogue.*** Under the current division of roles, political dialogue falls under the responsibility of the EEAS. Policy dialogue falls under the responsibility of DEVCO. Policy dialogues run in parallel to political dialogue. Yet, in practice, the processes overlap to a certain degree; every policy reform (however technocratic) is profoundly political. In the absence of clear guidelines, and coherent communication coming from HQ (EEAS-DEVCO), the coordination between political sections and operational sections remains at the discretion of the EU Ambassador. On the one hand, there may not always be incentives to address political issues emerging at the operational level in political dialogue, as this tends to focus on the non-respect and violations to the fundamental principles. On the other hand, policy dialogue generally focuses on managerial issues, which are less contentious and where short-term visible results can be shown (e.g. disbursements, visibility indicators…), leaving aside issues of including the quality of spending (e.g. policy experimentation, sector performance, government overall performance in the overall reform, and sustainability). If the EU wants to be effective in delivering governance support, it will need to ensure that political dialogue and policy dialogue are well articulated in the field.

c. ***In consolidating its complementary role***. Partner countries often appreciate the European Commission for being different from the EU member states, which the EU Consensus on Development refers to as the Commission's 'supranational character'. Partner countries thus value a Commission capable of operating independently of political developments and specific interests of individual member states, and providing assistance in a predictable and transparent manner. In

this regard, it would be important for the new EU Delegations to consolidate this supranational character, as some observers have noted that the arrival of member state diplomats in the Delegations (as Ambassadors or political advisors) might in some cases lead to tensions between member state and Community interests. Delegations partly staffed by member state officials have the potential of favouring further collaboration with member state embassies based in the partner country concerned, rather than developing an EU joint position.

d. ***In incentives and capacity.*** Supporting governance requires that EEAS and DEVCO adapt their capacity and instruments to stated ambitions. Development practitioners need time to learn from successes and mistakes, to engage with new actors beyond their comfort zone, time to experiment, network, and innovate. This requires new skills to engage in more "political roles" with high professional standards, not only at the diplomacy level, but also at sector (policy) level. It is important that thematic directorates are not absorbed by an instrumental logic, and instead reinvigorate their commitment to sharpening policy implementation, through quality backstopping to geographic desks and EU Delegations. In this sense, it appears that DEVCO HQ may have an interest to revise its current staff allocation, particularly with regards thematic units: designing policies, providing quality support to Delegations and managing contracts are very different jobs, requiring different sets of competencies and skills, and responding to different time logics. If DEVCO wants to ensure that policy-making is relevant, it will need to ensure that it is based on a thorough understanding of the strategic and operational challenges that arise in the field. If DEVCO wants to be seen as a center of excellence, it will need to put quality at the top of its priorities, and ensure that Delegations receive quality support of the highest standards throughout the policy and programme cycle. It will also require that at the overall policy level the EU works out the tension between conflicting agendas (spending vs. quality; showing short-term visible results vs. engaging in long-term development processes with ownership).

e. ***In developing a coherent vision on governance support.*** The Lisbon Treaty clearly states that EU external action is driven by the values that have inspired the European Union. If the EU wants to be a credible global partner supporting governance (e.g. democracy, human rights, freedom, rule of law…), it will need to reconcile its values with its interests, ensuring there is overall consistency with other dimensions of external policy (e.g. trade, security) and that double standards are eliminated. Also, it will need to work out the way values translate into policies and support strategies. Until now, the EU/EC swings between a normative approach, which takes EU values as universal standards, and a more analytical approach, which sets realistic objectives in the pursuit of those values, based on context specificities. There is sufficient evidence to suggest that normative approaches to governance support do not work for development. If the EU wants to be effective in supporting governance it will need to digest existing knowledge, move away from the one-size-fits-all normative agendas, and accept that money and technocratic solutions alone will not work.

Looking ahead: putting the new system to the test

The Lisbon Treaty has reconfirmed EU's commitment to governance. It states that EU's action *"on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respects for the principles of the United Nations Charter and international law."* (Article 21.1). In a recent interview, the EU's High Representative argued that *"promoting human rights and*

good governance (…) is the silver thread running through everything we do."[22] European Commissioner for Development Andris Piebalgs also seems keen to steep up his commitment to governance. The forthcoming EC Communication which has been tentatively titled as 'Increasing the impact of EU Development Policy: An agenda for change'[23] states that *"governance (…) is pivotal to sustainable and inclusive development"* and *"will feature more prominently in all partnerships"*.

EU's ambitions with regards governance support are set at a level that the current EU external action architecture may be unable to meet unless there are strong investments in addressing institutional capacity challenges. The analysis presented in this note argues for closely monitoring how the new external action architecture will impact the EU's general policy and operational capacity, and more specifically, the EU's capacity in providing support to governance in developing countries. It is too early to assess whether DEVCO and EEAS will jointly deliver on its goals, but it is certainly not too late to set a baseline and start monitoring how institutional changes and policy developments are actually translating in the field. There are many questions to be answered: Will the EU be able to spell out a coherent political agenda with regards governance support and use its political leverage more effectively now? Will EEAS and DEVCO be able to coherently articulate diplomacy and aid, and move beyond a traditional division of roles between political and technical? Will DEVCO be able to design smart policies, be a credible 'center of excellence' and deliver effective aid with its current capacities?

Suggested readings

Booth, D. (2011) Working with the grain and swimming against the tide: Barriers to uptake of research findings on governance and public services in low-income Africa. London: Overseas Development Institute.

Grindle, M. (2007) Good Enough Governance Revisited. In: Development Policy Review Volume 25, Issue 5, pages 533–574, September 2007. London: ODI.

Leftwich, A. (2011) Thinking and Working Politically What does it mean? Why is it important? And how do you do it? York: Development Leadership Programme Discussion Paper.

Nijs, L. and Molenaers, N. (2008) The Bumpy Road from Paris to Brussels: The European Commission Governance Incentive Tranche. IOB Discussion Paper. Antwerpen: Institute of Development Policy and Management.

Unsworth, S. (ed.), (2010) An Upside Down View of Governance, Centre for the Future State. Brighton: Institute of Development Studies.

info@ecdpm.org
www.ecdpm.org
KvK 41077447

HEAD OFFICE
SIÈGE
Onze Lieve Vrouweplein 21
6211 HE Maastricht
The Netherlands *Pays Bas*
Tel +31 (0)43 350 29 00
Fax +31 (0)43 350 29 02

BRUSSELS OFFICE
BUREAU DE BRUXELLES
Rue Archimède 5
1000 Brussels *Bruxelles*
Belgium Belgique
Tel +32 (0)2 237 43 10
Fax +32 (0)2 237 43 19

[22] Quoted by David O'Sullivan, Chief Operating Officer, European External Action Service on his Podcast "Setting up the EEAS" delivered on 14 January 2011.
[23] Draft of 8th July 2011.


European Centre for Development Policy Management
ecdpm
25 years
Linking policy and practice