The New Organization of the Council of the European Union: Setback or Opportunity for EU Development Cooperation?

Anne Simon

ECDPM Discussion Paper No. 46
The European Centre for Development Policy Management (ECDPM) aims to improve international cooperation between Europe and countries in Africa, the Caribbean, and the Pacific.

Created in 1986 as an independent foundation, the Centre’s objectives are:
- to enhance the capacity of public and private actors in ACP and other low-income countries;
- and
- to improve cooperation between development partners in Europe and the ACP Region.

The Centre focuses on four interconnected themes:
- Actors of Partnerships
- ACP-EU Trade Relations
- Political Dimensions of Partnerships
- Internal Donor Reform

The Centre collaborates with other organisations and has a network of contributors in the European and the ACP countries. Knowledge, insight and experience gained from process facilitation, dialogue, networking, infield research and consultations are widely shared with targeted ACP and EU audiences through international conferences, focussed briefing sessions, electronic media and key publications.

**ECDPM Discussion Papers**

The ECDPM Discussion Papers report on work in progress at the European Centre for Development Policy Management. They are circulated among practitioners, researchers and policy-makers who are invited to contribute to and comment on the Discussion Papers. Comments, suggestions, and requests for further copies should be sent to the address below. Opinions expressed in this paper do not necessarily represent the views of ECDPM or its partners.

**For further information**

Jacquie Dias, ECDPM, Onze-Lieve-Vrouweplein 21
NL-6211 HE Maastricht, The Netherlands
Tel.: (31)-(0)43-350 29 00, Fax: (31)-(0)43-350 29 02
E-Mail: info@ecdpm.org, http://www.ecdpm.org
The New Organization of the Council of the European Union: 
Setback or Opportunity for EU Development Cooperation?

Anne Simon

Study commissioned and supported by the ICP (Portuguese Institute for Cooperation)

The ECDPM wishes to thank all the representatives of the European Institutions, and the Permanent 
Representations of the Member States for their frank and constructive input to this study. The author, 
Anne Simon, is an ECDPM Programme Associate based at the French consultancy firm, Cabinet Gressard.

January 2003
Contents

ABBREVIATIONS .......................................................................................................................... 4

PRELIMINARY .............................................................................................................................. 5

INTRODUCTION .......................................................................................................................... 6

COUNCIL REFORM: A RADICAL SHAKE-UP IN EUROPEAN COOPERATION ................................ 8
  THE END OF THE DEVELOPMENT COUNCIL, CONSEQUENCE OF A REFORMIST TREND..................... 8
  LEARNING FROM EXPERIENCE, STRENGTHS AND WEAKNESSES OF THE DEVELOPMENT COUNCIL ........... 9
  THE EXPERIENCES OF THE FIRST “INTEGRATED” COUNCILS.............................................................. 11
  THE IMPACTS ON METHODS: BASELINE FOR ANALYSIS...................................................................... 11

OPPORTUNITIES AND RISKS FOR DEVELOPMENT COOPERATION.......................................... 13
  THE NEW ORGANIZATION OPENS WINDOWS OF OPPORTUNITY .................................................. 13
  RISKS AND CONSTRAINTS ........................................................................................................... 14

HOW TO OPTIMIZE THE NEW FORMATION? AVAILABLE OPTIONS AND TAKING
ADVANTAGE OF THE OPPORTUNITIES ......................................................................................... 16

OPERATIONAL LINES OF ACTION .............................................................................................. 19

ISSUES AND DEBATES FOR THE FURTHER REFORM OF COOPERATION ............................. 20

CONCLUSIONS .......................................................................................................................... 23

REFERENCES ............................................................................................................................. 25
Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFET</td>
<td>EP Foreign Affairs Committee</td>
</tr>
<tr>
<td>IGC</td>
<td>Intergovernmental Conference</td>
</tr>
<tr>
<td>CSP</td>
<td>Country Strategy Paper</td>
</tr>
<tr>
<td>ECD</td>
<td>European Commission Delegation</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>DEV</td>
<td>EP Development Cooperation Committee</td>
</tr>
<tr>
<td>MS</td>
<td>Member States</td>
</tr>
<tr>
<td>ECOFIN</td>
<td>Economic and Financial (Council)</td>
</tr>
<tr>
<td>Europe Aid</td>
<td>European Cooperation Office (AIDCO - European Commission department)</td>
</tr>
<tr>
<td>GAC</td>
<td>General Affairs Council</td>
</tr>
<tr>
<td>GAERC</td>
<td>General Affairs and External Relations Council</td>
</tr>
<tr>
<td>EP</td>
<td>European Parliament</td>
</tr>
<tr>
<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
</tr>
<tr>
<td>DC</td>
<td>Developing countries</td>
</tr>
<tr>
<td>RELEX</td>
<td>External relations</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
</tbody>
</table>
EU development cooperation is a complex programme but crucial to international development assistance\(^1\). Since the Maastricht Treaty was signed, it has been based on an uneasy complementarity between Community actions and Member States’ bilateral cooperation. This gives it both an intergovernmental (through the European Development Fund - about EUR 3 billion a year funded from Member States’ voluntary contributions and managed by the European Commission) and Community character (through an annual Community budget of about EUR 6 billion, managed by the Commission). It is now in the grip of radical change. Its dual character is prone to interfere with the smooth running and nature of the policy-forming mechanisms.

Politically speaking, Community development cooperation is a special case, in that it rests on several roots: a basic foundation of financial and technical cooperation dating back to the earliest days of the European Community\(^2\), an increasingly significant political aspect - as in the Cotonou Agreement, for example - and a trade aspect given added importance by the fact that the Commission is mandated by the Member States to carry out international trade negotiations. These three roots of Community development cooperation vary in importance according to the zones and regions of the world with which the Commission maintains links of cooperation. The system seems to be moving towards a harmonization of the treatment accorded to these different zones.

At executive level, Community cooperation is handled by a single management service which has emerged out of recent, as-yet incomplete institutional reforms, which among other things are moving towards further deconcentration of responsibilities to EU Delegations. At the same time this single management service still manages an inherited budget shaped by earlier bodies, which could also undergo further major changes in the coming years.

Finally, and above all, European development cooperation faces the same vexed issues as cooperation everywhere else in the world. How to deliver substantial official development assistance in the most effective direct or indirect way to societies and individuals - whether these are called partners or beneficiaries - such that their living standards, access to core human rights, and their futures are fully assured to the same extent as people who live in more affluent countries? This "debate on effective assistance delivery" is a recurrent theme in many different development cooperation agency evaluation, policy and supervisory bodies.

This brief overview of European development cooperation shows that this programme is both complex and in the throes of radical change. In the years to come, it could move to centre stage in the EU’s external/foreign policy, because the spreading burden of poverty among a growing section of the world is producing social unrest, world population shifts and a breeding ground for extremism. This instability has been reflected since 11 September 2001 in an escalation of attempted terrorist attacks and sabre-rattling responses. In such an unsettled context, can development cooperation find a strategic role in the EU’s external policy and action for world peace and growth? This is the background to this study of the place of development cooperation in the EU Council.

---

\(^1\) The EU’s international development cooperation effort (European Commission and Member States) accounts for 55% of world official development assistance

\(^2\) It is enshrined in the Treaty of Rome with the forerunner of the current European Development Fund.
Introduction

The EU’s historical development and forthcoming enlargement required far-reaching adaptations to its decision-making structures and mechanisms. However minimal the progress may have been, the Nice Council did take measures to prepare the Union to address these new challenges. The halting development of the CFSP since 1992 also saw the European Union keen to carve out its place as a world player on the political stage. But European foreign policy in a globalized world repeatedly saw its ambitions thwarted by a lack of efficient policy making and enforcement mechanisms. To improve the efficiency of EU decision making, the Council was to be reorganized by cutting the number of Council formations from 16 to 9, and revamping the strategic and operational planning process within the European Council.

In this new set-up, the competences of the General Affairs Council were expanded and clarified as a General Affairs and External Relations Council (GAERC). The new Council has responsibility for key policies in the whole of the EU’s external relations, namely, foreign affairs, defence policy, foreign trade, development cooperation and humanitarian aid. The Development Council which used to meet twice a year is therefore abolished as a result.

Box 1: Measures regarding the structure and functioning of the Council
Excerpts from the Presidency Conclusions, Seville Summit, 21 and 22 June 2002

“The current General Affairs Council configuration shall from now on be called the "General Affairs and External Relations Council". In order best to organise proceedings with regard to the two main areas of activity covered by this configuration, it will hold separate meetings (with separate agendas and possibly on different dates and) dealing, respectively, with preparation for and follow-up to the European Council (...) the whole of the Union's external action, namely common foreign and security policy, European security and defence policy, foreign trade, development cooperation and humanitarian aid.

[A list of Council configurations follows]

In the case of the General Affairs and External Relations Council, each government shall be represented at the different meetings of this new configuration by the Minister or State Secretary of his choice. In keeping with the role conferred upon it by the Treaty of defining the general political guidelines of the Union, the European Council shall adopt, on the basis of a joint proposal drawn up by the Presidencies concerned in consultation with the Commission and acting on a recommendation by the General Affairs Council, a multiannual strategic programme for the three years to come. The first such strategic programme will be adopted in December 2003.

An annual operating programme of Council activities shall be submitted to the General Affairs Council (...)

The scrapping of the Development Council has been seen as a worrying signal both by policy formulation bodies (the Development Commissioner, specialized Council formation, relevant parliamentary committee) and civil society organizations. Rightly so, as on the face of it, it minimizes the level of political representation in discussions on development, and hence the political impact of decisions, and could leave development cooperation dependent on other EU external affairs policies. On the other hand, the new External Affairs formation will have greater influence and visibility. Might there not therefore be, behind this negative signal, an opportunity to improve the effectiveness, recognition and coordination of European development cooperation? But also, what are the foreseeable risks of that policy being weakened? What if any are the options for putting a workable gloss on those opportunities? What operational ways forward can be proposed to that end? And

3 These functional failings are also due to policy decisions taken by the States who signed the Treaties.
finally, what are the key emerging challenges that EU development cooperation may face in the coming years?

This study, commissioned by the Portuguese Institute of Cooperation (ICP), endeavours to provide an initial answer to these questions. It forms part of a work programme on institutional and political reform of European cooperation run by ECDPM over the past three years. The methodology observes the standard requirements of impartiality and confidentiality. A dozen or so interviews were conducted. The resulting views and proposals were cross-analysed with a literature review.

5 In early 2003, as this report was going to press, the ICP had just been merged with another government agency and renamed the IPAD or Portugese Institute for Aid and Development
Council Reform: a Radical Shake-up in European Cooperation

The end of the Development Council, consequence of a reformist trend

Technical reform of the Council is inductive of the headway made by European integration and the common foreign and security policy. The issue of the EU’s decision-making formations goes to the very core of one’s vision of Europe. To generalize: for federalists, the Council could be a permanent body, legislating on Community policies⁶, while for proponents of the EU’s intergovernmental nature, the Council brings together representatives of the Member State governments on an ad hoc basis to lay down coordinated guidelines for Community policies. The reform adopted at the Seville Council stands outside this debate since it involves no Treaty amendment but is to prepare the Council for enlargement. Firstly, the reduction in the number of formations and informal Councils addresses the requirements of rational use of the technical and financial means available⁷. Then, it aims to address the development of the EU’s external relations⁸. To that end, it looks specifically at the role of the General Affairs Council, which since 1999 has been dealing with both “horizontal questions” and “external relations”. Along with these two functions goes that of effectively preparing the European Councils. The growing size and complexity of the EU’s external relations policy agenda had made it difficult to fulfill these different functions with maximum effectiveness. While the idea floated⁹ of creating both a General Affairs formation and an External Relations formation was not - at this stage - taken up⁰, external relations was expressly recognized as falling within the remit of this new enlarged Council (since it now includes international trade, development and humanitarian aid).

A rushed decision taken behind closed doors. Well-prepared in terms of detailed rules before the decision was due to be taken at the Summit, this rationalization exercise seems not to have been put out to consultation with the specialized Council working parties and committees concerned. The final decision was taken by the Heads of State and Government. This lack - or at least perceived lack - of consultation added to the dismay at the announcement that the specialized formations, including that for development cooperation, were to be scrapped. Development cooperation policy was not singled out, but was caught within this broader net. The speed with which this reform was pushed through left no time for evaluating its potential impact on the Council’s internal working arrangements (especially the large number of working parties and committees, some with overlapping areas of responsibility). As a result, the difficulties of organizing the Council’s work in its new form could create new sources of red tape and inefficiency, not to say logjams.

A general framework in the grip of radical change. Also started up after the Seville European Council, the constitutional Convention on the Future of Europe is moving forward in its work. Next year’s IGC will spell out the resulting changes to the Treaties. The outcomes of the IGC could bring about far-reaching changes to the inter-institutional framework that will govern the EU’s external affairs (and hence the arrangements just made for development cooperation). Meanwhile, the administrative and financial reforms within the European Commission will be taken forward (with the Directorate General for Development possibly being subsumed in DG RELEX or EUROPE AID, etc.).

Finally, the decision to reorganize the Council seems not to have been based on any analysis of the potential impact on policies like development cooperation.

---

⁶ Cf. Spinelli draft or Spinelli project, as it is variously called
⁷ The Helsinki European Council in December 1999 decided that the number of Council formations should be reduced from 22 to 15.
⁸ Having the EU’s external relations handled by the General Affairs Council is a legacy of the past (pre-1992, the EU had no external relations policy as such).
⁹ See “Measures to prepare the Council for Enlargement”, CEU, 13 June 2002
¹⁰ In the External Action Working Group, the Convention members suggested the distinction be made by having two separate Councils. See working document 21.
Learning from experience, strengths and weaknesses of the Development Council

The strengths and weaknesses of the Development Council were highlighted in interviews.

Strengths

The Development Council gave policy momentum and instigated sectoral policies. A case in point was the European Community's development policy which has since 2000 been the EU’s strategic framework for tackling poverty (in the beneficiary countries, sectoral concentration in six sectors, coordination between the Member States and the Commission). More recently, at the Monterrey conference, it was through the EU Development Council that the European Union somewhat surprisingly stood as one on a commitment to development cooperation in the world, signalling significant progress towards closer integration. An analysis of the decision-making process shows the pivotal role played by the Development Council in a complex interplay of negotiations between formal and informal bodies in the European cooperation system to get to a decision which there was no general consensus.

It was an enabling environment for joining up European cooperation through the representatives of Member States' cooperation authorities (Foreign Affairs or Development and Cooperation Ministers). This so-called “subsidiary” formation proved itself essential to promoting the greater complementarity and coordination between Community policy and the Member States' cooperation policies introduced in the Maastricht Treaty. Its meetings also helped achieve incremental progress in thinking on cooperation on which no consensus could be found at European level where traditions of international cooperation are rooted in widely varying economic, religious, social and cultural histories. In some cases (e.g., the preparations for Monterrey) the solidarity and unity they reflected strengthened the hands of Cooperation Ministers within their own governments. Observers agree that these ministerial-level meetings are essential forums for technical debates or discussion of vexed issues. Informal meetings have in some cases proved just as if not more effective than formal Council meetings (e.g., the informal meetings in Berlin, Evian or Lisbon). As a result, they became fairly regular, and generally organized in a manner to ensure high-quality debates and increase the scope for achieving results.

It could create impetus by giving a “European” arena to debates whose scope goes beyond Member State level. So, the Commission had to conduct regular (twice a year) reflective debates, show progress or justify its actions in a given sectoral area (action on poverty, microfinance, etc.). To a lesser extent, the debates could influence policy in individual Member States (where there was no EU-wide policy consistency, such as on the gender perspective or development education).

This range of ways for communicating “development cooperation policies” at European level are therefore not all dependent on the holding of formal Development Councils, but can simply occur at meetings between senior EU officials.

---

12 Reflected in a financial commitment by the EU to put its contribution to official development assistance up to 0.39% of its GNP in 2006 from 0.33% in 2002 (in average contributions for the Member States).
14 Jan Orbie, ibid. The author analyses this decision-making process in detail within the context of EU external relations. The Development Council’s debates and decisions were passed on by the EC, informal high-level meetings, the GAC, the Ecofin Council, and finally the European Summit.
15 At the Lisbon informal meeting in 2000, development cooperation Ministers held productive discussions on conflict resolution, the outcomes of which were incorporated in the Presidency Conclusions.
Weaknesses:

That said, the Development Council has had only a very limited impact:

The Development Council was a forum for technical debates of uneven quality, largely unheeded by government officials or the media. The quality of the technical debates was very patchy. Not all Member States were always represented at ministerial level, sometimes only a few ministers made the effort. The intervals it was held at prevented it from dealing with topical development issues (e.g., crisis in a partner country for cooperation) or giving ongoing, long-term follow-up to the implementation of an issue-specific policy. The organization and timetable of its debates limited the formation’s responsiveness (as in the case of the Commission Communication on development cooperation policy, where the Council was left too little time to give a detailed response). Its public profile suffered from the big circulation media’s lack of interest in development cooperation.

It acted as a policy objectives body with little decision-making authority and no rule-making power. Decisions on development policies were taken by unanimity. Mostly, they provided guidance, only rarely did they lay down rules. Preparation of ACP group issues (Cotonou Agreements) fell to the ACP and ACPFin working groups, then the General Affairs Council. The financial regulations were adopted by the GAC. The Development Council therefore was more of a policy objectives body, with no real direct influence over how those policies were translated into the modalities and instruments of implementation (e.g., little influence over budget resources, see below). The Member States, by contrast, influence programme and project financing decisions through management committees, but how these tie in with the Council’s policy guidelines is not necessarily clear.

Finally, in recent years, the policy objective setting role had begun to be taken over by the GAC: the annual external/foreign policy ‘orientations’ have been debated in the GAC since February 1999, notwithstanding that some aspects relate to development cooperation.

It was a formation with no direct say over budgeting or instruments for monitoring cooperation budget outturns. Neither the Development Council’s agenda nor its remit allowed it to give direct effect to its policy guidelines in the Commission’s annual budget, or the EU’s multiannual priorities. It had no means of monitoring and controlling the implementation of cooperation. The first activity report on the EU’s external action drawn up by the Commission was sent to and discussed in the GAC in autumn 2001 when the Development Council was still in existence.

It possessed a complex internal organization which created delays and sometimes inefficiency. There are today many areas of overlap between the many Council working groups (ACP group/Africa group, ACP group/ACPFin group, DEV group/ACP group) as well as between working groups and management committees (EDF Committee/ACP group, EDF Committee/Africa group). This state of affairs allows the Council to deal with a wide range of subject areas requiring highly specific technical expertise. But it does make preparations for the Council more difficult, sometimes byzantine and not very open. It slows down the system and reduces (political) responsiveness. It overburdens the permanent representations of the Member States in Brussels. This complexity could even be used deliberately, for instance to “push through a decision” by handing it to a working group which would take the desired line.

---

16 E.g., the Agenda 2000 financial perspectives setting the total funding allocated to cooperation with the different regions of the world (including the enlargement countries).
17 Originally, the report was to have been discussed by the Development Council, but delayed publication meant that it was sent to the GAC for debate. As a result, the discussions by bodies comprised of diplomats with no training in the particular issues of cooperation (Ambassadors in COREPER II) were very general and non-specific.
18 Only members of the Development and ACP working groups were interviewed for this study. For a more rounded view of these issues, the members of the other working groups concerned would also need to be interviewed.
The experiences of the first “integrated” Councils

As yet, there have been too few significant “integrated” Councils on development cooperation to draw firm conclusions. At this stage, only a rough assessment can be given based on the GAERC of 18-19 November 2002.

Box 2: Development cooperation in the GAERC of 18-19 November 2002

There were five development cooperation items on the agenda, split with no continuity between the two days:
- Day Two: straddling lunch time, items for debate; the conclusions on the Communication on trade and development, the follow-up to Monterrey and a preliminary discussion on the Commission Communication on the untying of aid.
- Following the cancellation of the previous evening’s informal dinner of Cooperation Ministers, lunch items should have been taken, but in the end were not.

Pluses
- six Cooperation Ministers attended the meeting;
- Foreign Affairs Ministers who also held cooperation portfolios were able to take an effective part;
- the first conclusions on the link between trade and development.

Minuses
- too little debate (agenda overcrowded: too little time allocated to the different items; background documents late arriving). No real debate on the untying of aid19.
- some Cooperation Ministers were reluctant to make the trip (last minute changes for the informal meeting, items of business scattered throughout the agenda, then changed during the day according to external relations priorities).

The impacts on methods: baseline for analysis

The recent reorganization of the Council is only the visible (and provisional!) tip of the iceberg. This institutional reform is only the start of the organizational changes that will be needed to enable the European Union to play the political role on the world stage to which its economic clout entitles it.

The root issue of our analysis is where development cooperation stands in relation to the EU’s future external/foreign policy.

The transition will continue in the coming years to a tight timetable. In 2003-2004, the IGC will spell out and further develop the progress made by the Convention. The pace of this radical change in the EU and its external/foreign policy will then quicken in 2004 with the accession of the new Member States, elections to the European Parliament, and the appointment of the new European Commission.

19 The Commission had only adopted the Communication the previous evening.
The only way to analyse the reorganization of the Council, then, is against a broader, historical canvas which accommodates:

- the lessons of the past;
- the ongoing debates on development cooperation (effectiveness of aid, new instruments like programme aid/budget aid);
- the key issues being addressed by the Convention (EU Presidency, exercise of foreign policy responsibilities);
- the alternative institutional development scenarios for the European Commission and Parliament (possibility of subsuming DG DEV’s functions within Europe Aid and/or DG Relex, merging the EP’s Development (DEV) and Foreign Affairs (AFET) committees).
Opportunities and Risks for Development Cooperation

The backlash of the Development Council’s disappearance could catalyse a reaction within the Council. This momentum for change could create windows of opportunity for enhancing the quality and impact of development policy decisions.

The new organization opens windows of opportunity

Opportunities for coherence: improving coherence and coordination in the European cooperation system at different levels

- Coherence between the “development” and CFSP geostrategic approaches. Implementing departments had to contend with what could be differing political priorities in their policy directives. The arrangements for implementing the fight against poverty in developing countries was a case in point. In ACP countries where the ratio of funding to national budgets was high, the anti-poverty strategy could be leveraged by concentrating funding sectorially - in the transport and social sectors. The EU’s strategic cooperation with the Mediterranean countries is set in a different context, where other objectives like security, control of migration and the establishment of a free trade area influence the implementation of cooperation. Here, anti-poverty measures have a more social focus aimed at minimizing the disbenefits of free trade in the worst affected sectors of the economy. Concentration on the social sector is more limited but supplemented by other instruments. The ability to frame a coherent strategy for adjusting anti-poverty policy on the basis of geostrategic considerations could increase the effectiveness of anti-poverty measures.

- Coherence between the three "pillars" of development cooperation: political links, trade and financial and technical cooperation. All cooperation agreements (however described - association agreements, regional agreements) contain these three components to varying extents. The setting up of free trade areas, or the opening up of markets on terms which are favourable to developing countries and compatible with the WTO, dominate the commercial aspect of partnerships. Respect for human rights and the rule of law direct the political strand of agreements. Finally, financial and technical cooperation is implemented through a country or regional strategic framework, harmonized for the different regions of the world. The approval and management of cooperation agreements could therefore be simplified by the new formal powers of the GAERC. More coherence could be given to the EU’s relations with the African Union and its relations with the Cotonou Agreement. Likewise preparing and conducting political summits (e.g., the EU-Africa Summit) or managing the close linkages between trade and development.

- Coherence of the EU’s message towards partner countries. Political responses (political consultations in the event of human rights abuses or violations of the rule of law) and technical (programming of cooperation strategy) will be handled by the same body, reducing the risk of conflicting messages.

---

20 Which is not to downplay the effect of the different "institutional cultures" prevailing within DGs DEV and RELEX.
21 The Annual Report 2001 on the implementation of Community cooperation reports that the direct priorities of health, education and access to water accounted for 17.5% of programme funding under the 9th EDF (plus 21% for macroeconomic support, much of it to the social sectors) Transport alone accounted for 31%. The total for all sectors together amounted to 69.5%.
22 In volume terms, 47.8% of the programme funding 2002-2004 for the Mediterranean countries is allocated to social infrastructure and macroeconomic support.
23 This issue was analysed in a European Commission Communication, and an initial exchange of views took place on it at the GAERC of 30 September 2002.
24 As seen in the case of Zimbabwe. The divisions between Member States in the policy dialogue developed at the same time as the technical programming of the 9th EDF.
Increased operational coordination. A decision on operational coordination between the Commission and the Member States was taken by the January 2002 GAC. Application of the decision was handed to DG RELEX, responsible for all EC Delegations, which could be conducive to implementation.

Influence: a bigger role for development cooperation in EU decisions. In the past, decisions concerning the ACP Group of countries were taken by the GAC, which had little time to discuss them. These “ACP” items (prepared by the Council's ACP working group), along with “development” guidelines, received scant attention in this Council formation. New events, like preparations for the Monterrey Summit, showed the scale of international political interest in development cooperation today. They also showed how effective a group of cooperation policy-makers (mainly ministerial) could be in stirring the Foreign Affairs and EcoFin Councils into action to achieve tangible results. The new formation could therefore be a more relevant level (or one better-positioned with regard to the EcoFin Council) for addressing urgent issues like debt relief/forgiveness, development finance or negotiating a balance between development policies and Community policies like agriculture or fisheries (with the equivalent of the “Jumbo” Council). Finally, it is not just other policies that may influence development cooperation, the converse could also happen.

Giving direction: forging the link between development policies and budget resources. At present, Development Ministers have no institutional influence on development budgets. The European Parliament, by contrast, is far better organized for this task. The reorganization of the Council created a momentum for change that must be grasped to give a sharper focus to policy guidelines and budgeting procedures in order to accommodate the strategic priorities stemming from the annual plan. Logically, this exercise could include the definition of tools and methods for monitoring and measuring the performance and impact of cooperation measures.

Media coverage: Increasing the visibility of European development cooperation. The GAERC receives more media attention than the Development Council did. By linking development cooperation to a string of major issues now facing the European Union (Europe’s world role, peace, population shifts, globalization) the media profile of development cooperation could be increased.

Openness: Restoring responsiveness and innovativeness. Finally, by exposing cooperation to other policy debates by systematising the cross-referencing of issues, the new organization could foster the emergence of new thinking and help revitalize the nature and scope of European development cooperation.

Risks and constraints

But along with this more upbeat view of the new organization go a series of risks both institutional (the weaknesses of the old Development Council, breakdowns in the inter-institutional system) and more general in character (e.g., accession of the new Member States, the changing nature of cooperation, etc.).

Losing touch with reality: Over-emphasis on policy (guidelines and regulation) without regard for the practical impacts of the implementation of cooperation. The follow-up and evaluation of implementation requires more technical discussions to which time and importance must be allocated in the preparation and conduct of Council meetings. The running of the September 2002 GAERCs already gave out some negative signals on this.

---

25 Cf. the issue of balance between institutions described in chapter 5
26 In particular, the Seville Summit's decision to introduce a three-yearly strategic programme and an annual operating programme of Council activities could be used for that. See Box 1 for a description of the Seville Conclusions.
27 The discussion on “trade and development” was cut down to ten or so minutes due to late running on the afternoon agenda. Also see box 1 page 9.
Follow-up on cooperation measures should also include an analysis of the practical consequences of decisions, such as the consequences of adopting a financial regulation on cooperation procedures, of a legal basis on the type of measure funded, or the reform of external assistance on the size and nature of programmes.

Finally, the quality of the Council's work also very much depends on the organization of Council working groups and committees. If they are not organized to focus on substantive issues and given the necessary time and competences, this crucial aspect of measuring the implementation of cooperation may not be dealt with properly.

Subjection: Loss of autonomy. Subsuming the development agenda within the External Affairs agenda reduces the status of development cooperation (recognition of a separate Community policy, strategy and agenda) and extends a trend already seen in the Member States. This loss of status will be prejudicial if the EU’s external/foreign policy is not based on clear principles of international solidarity, respect and trust towards partner States and societies, and action against poverty in all its guises. Finally, the predominance of EU external relations which are today essentially governed by an event-driven short-term agenda could limit the importance attached to the reality of development cooperation, which is based on the long term.

National re-appropriation of the European cooperation “vision”. Over time, regular meetings of ministerial officials have an effect on improving coordination between Member States, but also of bringing exchanges “up to speed” at sectoral level. Even though these results or ‘acquis’ may still be insufficient, they do underpin the notion of European development cooperation. If these regular high-level meetings between the Commission and Member States cannot be continued under the new set-up, there is a concern that this fragile construction could suffer as a result.

---

28 The new ALA financial regulation will shortly be on the Council agenda.
How to Optimize the New Formation? Available Options and Taking Advantage of the Opportunities

The main opportunities and constraints are not just inherent in the new structure, some are also the legacy of the previous way of working or linked to the operation of the inter-institutional system.

A minimalist and qualified option would therefore be simply to adapt the new agenda and tinker at the edges of the old system; to see the question as simply one of incorporating the old Development Council into the GAERC as best as can be without changing the nature of its decisions and the impact in the partner countries.

Basic option: Revamp the development agenda within the GAERC, combining the benefits of both formations:

Two approaches could be combined when preparing the agenda:

- On the one hand by fostering high-level discussions on development cooperation (two “Development councils” a year within the GAERC).
- On the other hand by enabling greater responsiveness to events by including development issues sufficiently frequently or including them as horizontal questions in the different agenda items (to ensure that development cooperation objectives are not thwarted by decisions taken elsewhere).
- Finally, one might turn the informal meetings of Cooperation Ministers into systematic, regular gatherings. Other forms of issue-specific and technical meetings could also be devised (called by one or more Member States inviting the other ministers, preparations for international events, etc.)

These different approaches involve distinct preparation procedures (organization and coordination of the Council working group) which remain a Presidency responsibility.

More ambitious options could be considered to go beyond the limitations of the old formation and give substance to the new opportunities, i.e., to enhance the quality and scope of the policy guidelines of European cooperation and give them an operational impact. But that depends on the Council “reforms” fulfilling a series of more far-reaching conditions.

Organization and coordination within the Member States. Overall, this push for greater coordination should be undertaken seriously both in the capitals and in Brussels.

- Coordination between governments: Cooperation Ministers mandated by the Foreign Affairs, Finance, or Agriculture Ministers will carry more weight in the discussions with their Council peers. Likewise, a Foreign Affairs Minister travelling to the GAERC will only be able to argue the specific interests of development cooperation if the services have been effectively coordinated beforehand.
- Coordination is also vital to coherence of working groups. For example, there is an issue with coordination between the Finance and Treasury departments - which provide many members of the ACPFIN group - and those from the development agencies.
- Obviously, the responsibility for the quality of such coordination lies with each Member State; but at the end of the day, these individual responsibilities affect the overall quality of the European debate.

Improve the functioning of Council working groups to improve the preparation of decisions. The situation could be still further complicated by the horizontal treatment of EU external/foreign policy. The increase in the number of policies and the need to take a larger number of opinions into account

---

29 The Helsinki Council restricted this type of meeting to meetings between Ministers who do not meet in a specific formation. This was not changed in the Seville Summit decisions.

30 Its responsibilities and capabilities are dictated among other things by the size of its administrative apparatus.
will increase the need for joined-up working between working groups from different spheres of action, e.g., between the Development Group and Committee 133 for trade and development issues. Rationalization of the working groups seems essential to address this more complex agenda. In particular, the division of competences between some groups, like the ACP group (1st pillar) and Africa group (2nd pillar), could be looked at. Geostrategic choices will have to be made on whether the EU’s partner ACP group of States (and the Cotonou Agreement) should have priority, or whether a more continent-wide focus should be taken in which Africa as a whole is the central issue. The former option could see an ACP group with a remit extended to political issues, the latter an Africa group dealing with both the 1st and 2nd pillars. Caribbean issues would be dealt with in the Latin America group, and Pacific ones possibly in the Asia group.

A “unified” development cooperation agenda. The new set-up could enable a unified development cooperation agenda to be defined, distinguishing:

- A time frame appropriate to cooperation issues: cooperation works to a “long-term” time frame (in terms of the impact and effect of sectoral policies, action plans, sustainable changes in people’s living conditions, etc.). EU external relations, on the other hand, work to event-driven rapid response times. The unified cooperation agenda should take this singular feature of development policy into account by differentiating long-, medium- and short-term objectives.
- An overall horizontal strategy incorporating the political, trade and technical aspects of development cooperation. Means to ensure that the strategy is pursued coherently should be proposed. Development cooperation officials should have the rights to respond and negotiate where guidelines laid down in other areas of external/foreign policy go against the interests of development cooperation (ditto other policy officials).

Coherence and continuity between policy guidelines, strategies, tools for giving direction to and monitoring implementation (means and the use made of them). Drawing up a unified agenda of this kind could involve spelling out the expected and measurable results of the different strategic objectives. These strategic approaches would then have to be reflected in the budget. That means working in concert with the budgeting bodies. Tools for performance measurement, proactive listening to partners and informing the Council’s work should also be identified. Better use could be made of existing instruments like the annual report on external assistance or the different Commission evaluation reports. This would also dictate the timetable for work, set in accordance with a redefined time scale (publication dates of the annual report, policy debate on the report, etc.). Finally, the organization of the working groups could be adapted to the new changes, perhaps by simplifying the geographical working groups and setting up specialized implementation-focused working groups, e.g., to monitor country strategies, or the performance and impacts of multiannual programmes.

---

31 The agenda should include long-term policy guidelines, for instance (e.g., the quantitative and qualitative impact of CSP implementation, or the implementation of a thematic resolution over 5-10 or more years), short-term policy guidelines (results of mid-term reviews over 2.5 years, performances of the reform of external assistance in terms of financial management of Europe Aid over a 1-3 year time frame), and annual forecasts (e.g., of the external assistance budget or the annual forecasts for the EDF).
32 For planning, reporting, evaluation and control of the implementation of these guidelines.
33 Currently dealt with in the development group.
Concretising these more ambitious options would require considerable commitment from the Presidencies to carrying the reforms through. It is in effect at this level that:

- the unified agenda could be framed, then implemented (through incorporation in the rolling work programme),
- the reorganization of the working groups could be launched.

The IGC could well decide that such rationalization should take place, and it would be well to be prepared. Whatever else, even for the organization of coming Council agendas, the Presidency’s role will be fundamental.

There is one final condition which also affects other Institutions where thinking is more or less under way. The European Commission, which is responsible for implementing cooperation, is the institution that instigated the reform of external assistance. Parliament does not yet seem to have started formally to give any thought to the need to adapt working methods to fit in with these reforms.

Coherence between the approach at the decision-making level (organization of the Council, new relations with Parliament) and operational practices. The impact of the unified development agenda could be lessened if the executive bodies persist in their different institutional "cultures" and practices.

- Commission reforms are moving forward (especially restoring balance to the treatment of the ACPs). Long favoured as regards implementation of financial and technical cooperation, the ACP sector is now suffering from the understaffing of Europe Aid34, lack of policy skills among desk officers35, and lack of progress towards deconcentration36.

- The informal discussions within Parliament on the efficiency of the current allocation of foreign affairs responsibilities between sub-committees (substantive issues of international trade are handled by the trade and industry committee, while the development committee has no substantive remit for agreements with non-ACP countries) are going on, and a hard look is being taken at the EP Plenary Assembly (which, rather than the competent committees, is where urgent issues including those relevant to development cooperation, are dealt with).

---

34 The Technical Assistance Offices (TAO) have been subsumed into Europe Aid, thereby increasing its staff. But most TAOs were active in the Mediterranean region, Asia and Latin America, so Europe Aid’s Directorate C drew virtually no benefit from the extra staffing complement.

35 Due to the institutional tradition of ACP-EU cooperation whose origins are inextricably linked to financial and technical cooperation

36 An imbalance which will be put right in the third phase of deconcentration in 2003.
Operational Lines of Action

A number of priority actions can be suggested for the coming months:

- **Draw up a code of conduct for development cooperation which includes a balancing mechanism.** One possible way to give development cooperation its proper place within the new Council might be through a “gentleman's agreement” laying down the new Council’s operating procedures in terms of agenda, conditions of preparation, and minimum time allocated to development cooperation policy. Such a code of conduct could be based on the fundamental principles of EU development cooperation. It could mention the reforms needed and the mechanism for ensuring balance in dealing with the different policies. The mechanism should ensure that the principles are taken into account in every decision connected with external relations (CFSP, development cooperation, trade), and should include a right of response when policy decisions in any area conflict with partner countries’ social and economic development goals.

- **Long-term follow-up and analysis of the working of the GAERC.** The early indications of how the Council is taking development cooperation into account are not sufficient. More relevant would be to analyse what successive GAERCs do to see how far the gentleman's agreement is being applied.

- **Analyse the different working groups’ specific development responsibilities preparatory to rationalizing the way they work.** A complete rethink of the different working groups dealing directly or indirectly with development cooperation, their formal functions and practices might be helpful. The experience of merging the first and second pillar groups for Latin America and Asia in 1999 produced benefits in terms of cost/effectiveness, and coherence between policy and development. But it also revealed the complex problems involved in achieving even a partial change in administrative habits (changes in group chairships, partial merger etc.). Before going ahead with any such merger between the Africa group and ACP Group (which would inevitably create new complexities linked to the different geographical coverages), an overall analysis of all the groups concerned in light of the widening of themes already commenced would be advisable to come up with workable, efficient solutions. Such an analysis would be a prerequisite to bringing about further change in the Council’s operating procedures.

- **Study the conditions and options for a unified development cooperation agenda.** The study would also suggest organizational methods and time scales for the GAERC’s annual and multiannual development cooperation activities.

- **Set up an informal discussion between Cooperation Ministers on the issues of further reform of development cooperation within the Council and the broader reform of external aid.** Cooperation Ministers could have their attention directed to what on the face of it seem fairly technical issues, but which go to the foundations of European development cooperation policy. The agenda for their discussions could focus on operational lines of action and the broad issues of taking forward the reforms commenced in Council. Involvement in this new project at their level will be a positive signal of their concern for European cooperation. In practical terms, an agenda could be set for discussions at an early GAERC or an informal meeting of Ministers and Secretaries of State responsible for cooperation.
Challenges and Issues for the Further Reform of Cooperation

“We have to convert the try”. This phrase borrowed from rugby illustrates well that the recent institutional changes are only the first step. The reforms introduced first in the European Commission then the Council must be taken forward to enable development cooperation to be an effective and major EU external relations policy. It will be shaped by a series of challenges and wide-ranging debates in the coming years. Advancing the cause of development cooperation will depend on its ability to take these on board and address them.

Give recognition to the specific objectives of cooperation and the means/methods needed to achieve them in the revision of the Treaties. This debate was started in the Constitutional Convention’s Working Group on External Action and will be continued in the plenary. Many institutional and structural issues were analysed and made the subject of proposals. But there appears to have been no discussion of their impact on cooperation policy.

- One key focus of the working group was the issue of balances and precedence between European institutions. It concluded that an “EU Minister of Foreign Affairs”
- Where will responsibility for prosecuting the external/foreign policy and development cooperation agenda lie? Whatever body it falls to will then be responsible for the quality of the development cooperation agenda. What will happen if that body fails to accommodate the specific needs of development cooperation?
- Will there be a single EU representation to international bodies like the UN Security Council or the Board of the World Bank?

The working group’s final report considers development policy as an element of the global strategy of the Union vis-à-vis third countries. Its recommendations on development cooperation policy are restricted to simplifying administrative instruments and integrating the EDF into the overall EU budget. It also “underlines the need for ensuring coherence between development cooperation and other aspects of EU external action, as well as external aspects of internal policies”.

Ensure that the political importance given to development cooperation is reflected at the financial level. That the financial comes before the political is clear at different levels:

- at EU level: when the EU’s financial perspectives allocate a decreasing share of the budget to the ACPs compared to the amounts allocated to other regions.
- in the Council: e.g., between GAC and ECOFIN; in strict law, the GAC is tasked with preparing a European summit, and so stands above the ECOFIN Council; in practice, ECOFIN does the budget equations without necessarily taking the needs of cooperation into account. The same precedence is also seen in the Community budgeting choices.

---

37 The Convention is looking at changes in the roles currently performed by the High Representative and the External Relations Commissioner. The Working Group on External Action looked at a range of options for the new European representative, who could be both mandated by and accountable to the Council, and a member of the Commission. This would be a new and unprecedented hybrid arrangement in the EU’s institutional history.
39 The idea of a representation to the UN Security Council was floated at the start of the group’s work, but seems to have been completely dismissed, whereas it is proposed to look at the issue of the international financial institutions in closer detail.
41 Mirjam van Reisen points out the dangers of rolling back the principle of coherence in a note of 13 November 2002 on development cooperation and external policy in the future Europe.
• in the Member States: nationally, Foreign Affairs Ministers often lack a financial clout commensurate with their political status.
• within international financial institutions (IFIs): It is the Finance Ministers rather than the Foreign Affairs or Cooperation Ministers that sit on these institutions’ policy- and decision-making bodies.

**Box 3: Recommendations of the Working Group on External Action**

**Principles and objectives of EU external action**

The Union's action on the international stage will be guided by, and designed to advance in the wider world, the values which have inspired its own creation, development and enlargement: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, the principles of human dignity, equality and solidarity, and respect for international law in accordance with the principles of the Charter of the United Nations. The Union will seek to develop relations and build partnerships with countries, and regional or global organisations, who share these values. It will promote multilateral solutions to common problems, in particular in the framework of the United Nations. The European Union will define and pursue common policies and Union actions, and will work for a maximum degree of cooperation in all fields of international relations, in order:

• to safeguard the common values, fundamental interests, independence and integrity of the Union;
• to consolidate and support democracy, the rule of law, human rights and international law;
• to preserve peace, prevent conflicts and strengthen international security, in conformity with the principles of the United Nations Charter;
• to foster the durable economic and social development of developing countries, with the primary aim to eradicate poverty, in particular in low income countries;
• to encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade;
• to develop international measures to preserve the environment and global natural resources, and ensure sustainable development;
• to assist populations, countries and regions confronting man-made or natural disasters;
• to promote an international system based on stronger multilateral cooperation and good global governance.

*Develop a focus of excellence in European cooperation with commensurate capacity to act.* In the international cooperation system, the Bretton Woods institutions are a driving force in establishing relations with a developing country by laying down the general arrangements for cooperation (types of economic reforms, type of aid (e.g., sectoral aid), poverty reduction strategies (PRSPs), etc.). Given the position EU countries occupy in these institutions, an integrated and coordinated European cooperation could be a focus of innovation capable of giving direction to international cooperation. The Convention’s Working Group on External Action gave an initial encouraging signal in this direction. Its Eurozone Members expressed support for a single representation of the Eurozone countries in the financial international institutions, and invited the Commission to look into the issue and formulate proposals.

The challenge for development cooperation policy-makers in the years ahead will be to identify in the new institutional landscape ways of exerting a more direct influence on budgetary choices, not just through the budgeting process as we have seen, but also in the EU financial perspectives, and the budgeting of the EDF.

*Ensure functional balance and coherence of the institutions in the conduct of development cooperation.* The outcomes of the Convention may redefine this balance.

---

42 In particular, how to organise the articulation between single representation and obligations incumbent on Member States.
In practice, the Council at present seems to have more influence than the European Parliament over cooperation policy, but lacks any real means to ensure command and control of its implementation. For its part, Parliament has attempted to influence policy via sectoral demarcations in the cooperation budget\(^{43}\).

Parliament has more scope (in its specialized committees, especially the Development and Cooperation Committee) for influencing budget appropriations (policy instruments) and more targeted forms of support which can initiate policies down the line\(^ {44}\).

The third key to the future balances lies within the Member States. Cooperation Ministries are increasingly being subsumed within the Ministry of Foreign Affairs. Over and above the issue of coordination between governments referred to above\(^ {45}\), taking full account of the importance of national parliaments poses a new challenge to the visibility of European cooperation with national public opinion\(^ {46}\).

Inter-institutional balance is a focal point of the present debates on the future of Europe. It is given particular immediacy by the need to substantially re-write the rule book when the new Member States join. That could radically change the definition and implementation of cooperation policies.

---

\(^{43}\) Attempted unsuccessfully in 2002
\(^{44}\) Parliament was behind the creation of the human rights budget line, for instance.
\(^{45}\) See Chapter 3.
\(^{46}\) Which in some countries is given contradictory or dismissive messages about European cooperation by their own ministers.
Conclusions

The reorganization of the Council decided on at the Seville Summit resulted in the abolition of the EU Development Council. The decision, taken without consultation, created widespread frustration, the more so as it formed part of a wider reorganization which seems to reflect a priority given to the new European foreign policy over what is a “traditional” policy entrenched in the history of Community integration.

Yet that reorganization may also be an opportunity to take stock of the “old style” Development Council. The strengths of that formation (the impetus given by its policies, a forum for debate through which the idea of European cooperation was gradually built up) should ideally be preserved and extended for the future in one form or another. At the same time the new organization should be able to go beyond the limitations of the past formation (essentially its relative powerlessness and limited impact on framing and monitoring the implementation of the Community budget).

The new formation offers the prospect of giving development cooperation influence and visibility in EU political decisions. It opens windows of opportunity for strengthening the effectiveness of cooperation policy through coherence (between policies, between aspects of cooperation, etc.). It could also be taken advantage of to develop capacities for strategy management (linkage between cooperation strategies and means of delivery, follow-up/evaluation tools) within a renewed forum more conducive to exchanges and better covered by the media.

Even so, there is a real risk of development cooperation - a strong or potentially strong policy (the foremost in the world) - taking second place to what is still a weak external/foreign policy (in terms of agenda, short-termism favoured over the structural, budget priorities, balance between Community and bilateral cooperation). This is compounded by the risk of it proving impossible to revamp this policy body so that it has the capability to follow-up and evaluate the implementation in practice of its recommended guidelines.

The reorganized modus operandi of the new Council (preparation, agenda, etc.) places an expanded responsibility on the Presidency. The Convention, then the IGC, must come up with the most efficient possible operating procedures for the Presidency in an enlarged Europe. Whatever the ultimate conclusions, the Presidency will bear the responsibility for the place held by development cooperation in the External Relations Council. This is the level at which some of the measures advocated in this report must be taken, notwithstanding that some of the measures proposed may be taken at other levels (by one or more Member States, for example).

The first thing to say is that these measures are proposed as "minimum" options for methods of organizing the agenda of formal and informal meetings. The approach could also be more proactive, with better organization within the Member States, an improved tie-in between decision-making and operational approaches (reorganization of the agenda, reporting, etc.), a reorganization of Council working groups, and even reorganization within the other institutions.

Finally, the report suggests a series of priorities for the coming year: drawing up a code of conduct for development cooperation within the new Council; an early start on two analyses, one as groundwork for the necessary reorganization of the Council’s internal structures, the other to launch a new unified development cooperation agenda. These measures (or some of them) could be debated at an early juncture by Cooperation Ministers.

---

47 “a policy often dictated by the least ambitious position of a Member State” draft intermediate report of the Convention’s Working Group on External Action (8.11.2002)

48 Assuming the General and External Affairs Council is actually split into two Councils. If not, the responsibility will be that of the General Affairs and External Relations Council.
The future of European cooperation remains beset by monumental challenges. The constitutional Convention offers, for the time being, a fitting forum to start addressing them. Unfortunately, the evidence of the early outcomes – particularly the results of the Working Group on External Action - is that development cooperation has been marginalized from the debates. Open consultations with civil society, with the professional sector, and especially with those from the countries receiving external aid, might have helped take things further forward. The Convention's work is not completed, and the Intergovernmental Conference will get under way in 2003. Is there still time to give EU development cooperation its role as a driving force of EU foreign policy?
References

_Council of the European Union, Measures to Prepare the Council for Enlargement_, report by the Presidency to the European Council (drawn up with the Secretariat of the Council). Brussels, 9939/2, 13 June 2002 (14.06) (Or. Fr) 11 pages.


Orbie, Jan. The _EU identity towards the South: hegemonic benevolence?_ Case-study Monterrey, Ghent University, Belgium, Department of Political Science, Paper for 1st Pan-European Conference on European Union Politics, 26-28 September 2002.