Informal Senior Officials Meeting

The implications of a possible ratification of the Lisbon Treaty for EU development policy

Issues for Discussion

Maastricht, 16 September 2009

Objective of the meeting

This meeting aims at providing high-level officials with a platform for jointly thinking through the implications for development cooperation of the Lisbon Treaty, if ratified. A number of technical implementation decisions will have to be taken very quickly after a potential ratification of the Lisbon Treaty. These decisions will be the outcome of highly political negotiations with a multitude of stakeholders. Thus, development policy makers will need to go into these negotiations with a clear vision of the future role for development cooperation in the evolving global and EU context and a set of principles and criteria that will allow them to chose among the various institutional options.

To prepare for this, ECDPM will facilitate an open and informal exchange of ideas on the implications of different reform options.

It is assumed that participants have a basic level of knowledge of the Lisbon Treaty so no detailed presentations will be made. Rather ECDPM staff will briefly introduce a number of key issues for each session and then the floor will be thrown open for discussion.

The first session is meant to briefly set the scene and clarify concepts before the more technical discussions on implementation that will follow in the three workshops. A range of possible assumptions on the evolution of the global and EU context will be reviewed, as well as ideas on potential medium and longer-term visions for development cooperation that might be shared by EU stakeholders, so as to help inform institutional priorities and choices during the working groups. In the second session three workshop groups will each address different but inter-
related questions and a rapporteur will be asked to make a short report back of key conclusions to the plenary. The three working groups will be dedicated to the ‘how’ questions and look at a limited list of selected issues on a more practical level. The final session will seek to bring the various threads of the discussion together and draw out conclusions around points of emerging consensus. A short summary report, respecting Chatham House rules, will be prepared for publication.
Session 1 – Plenary

Introductory session: Clarifying expectations

**Key question:** What do we expect the new EU architecture to deliver for EU development policy and its implementation?

Background

The Lisbon Treaty arrives at a time of emerging new trends in international relations to which we will need to adapt the institutional changes it introduces for the EU. Our traditional understanding of the relationship between development and other policy areas, including foreign and security policy and how this relationship is best served in terms of institutional set-up is shifting. At least three major trends in global affairs contribute to this shift: first, the global development agenda is opening up to a widening range of “issues of global concern” - international trade, security, governance, migration, agriculture/food security, climate change, energy and, most recently, global finance. Second, our global understanding of what development is all about – the development paradigm – is being re-examined and appears to be evolving. Third, international relations as a whole are increasingly predicated by a growing process of regionalisation.

Within the **widening global development agenda**, development cooperation seems to be pushed to play a more political role: it is expected to contribute to addressing a number of global challenges instead of focusing only on narrowly defined development objectives as included in the MDGs. At the same time the external dimensions of the EU and many of its previously predominantly internal policies are achieving increasing global relevance. This brings risks and opportunities for development cooperation. It means renewed risks of subordination and instrumentalisation of development cooperation within the framework of other pressing global agendas and increasing pressure to manage ODA through other separate administrative structures (DG Environment/ Climate Change, DG JHA/ Migration, DG Research, etc.). Also a number of practical questions arise, for example: when increasing amounts of ODA are to be used to address the challenges of climate change, do we need to climate-proof development or development-proof climate policy, or both?

At the same time, opportunities emerge as the current global economic and environmental stress may bring about a more sustainable international development agenda. Development cooperation may also be brought back onto voters’ political horizons in donor countries through its strong links with the global challenges that concern EU citizens. More joined-up thinking and action between development cooperation and other EU policy areas may also boost the leverage of development cooperation to effectively achieve greater Policy Coherence for Development (PCD). Generally, there seems to be agreement that development should safeguard its specificity and remain a strong force in the EU’s external action and that it should be led by a strong Commissioner that can provide real
leadership. But it is less clear how to ensure such strength institutionally – either by maintaining maximum autonomy or by aiming for maximum leverage for development objectives within a more joined-up approach?

Since 2000, the paradigm for development cooperation has been based on a strong, operational poverty focus guided by the UN Millennium Development Goals. Its effective implementation calls for autonomous, specialized development institutions – local, national and international – that jointly exert control over the ‘development results chain’. Now, in order to contribute to other rising global concerns besides poverty, the MDGs are being re-examined and specialized actors need to join forces with other, traditionally non-development institutions and agencies. One step further and development could become an integral part of EU external relations, adopting a sort of EU ‘Whole-of-Government’ approach. In both of these scenarios, the issue of ‘development leverage’ acquires key importance: how to ensure that development objectives are achieved when working in policy areas where development cooperation works side-by-side with non-development actors?

Finally, a trend is visible towards a regionalisation of international relations. EU states are increasingly dealing with states in others regions as a block, and not just bilaterally, for instance through a Joint Africa-EU Strategy that commits the EU to ‘treating Africa as one’. However, the definitions of regions are in flux as underlying them are competing and very different pressures. The Commission might be tempted to further promote this trend and emphasise regional cooperation institutionally by possibly nominating a number of explicit ‘regional’ Commissioners for Africa, Asia, etc. As a result, an increasing share of ODA may be programmed and implemented by administrative structures separated from development. For example, the EU’s strategic political interests are very strong in its immediate ‘neighbourhood’, so it is likely that this ‘region’ will remain to be managed separately from development cooperation and under the close oversight of the HRFSP.\(^1\)

Taking into account these global trends, a vision for the future of EU development cooperation can be sketched to inform institutional choices. At one end of the spectrum, if the risk of development cooperation being subordinated and instrumentalised is regarded as very high, such a vision will emphasize the need for maintaining a high degree of autonomy and focusing on narrowly defined goals such as the MDGs; even though this may increase the risk of further political and geographical marginalisation in the current context of more political cooperation on climate change, migration, energy, etc. At the other end of the spectrum, if the opportunity of development cooperation applying effective leverage on EU External Action as a whole is regarded as great, then effective integration will be the key, and a fully regionalised EU ‘whole-of-government’ approach could be the emerging vision. As indicated in the summary table below one might also envisage a middle way that emphasised strong leverage for development effectiveness and policy coherence for development (PCD) in regional, joined-up EU policies, ensuring at the same time a strong institutional

\(^1\) HRFSP: High Representative for Foreign & Security Policy
anchor for independent development policy making, monitoring and impact evaluation.

| Table 1: Visions of alternative development paradigms & institutional implications |
|---------------------------------|------------------------------------------|
| Paradigm                        | Institutional approach                   |
| 1. Development cooperation solely focused on MDGs | Strong autonomy and full control of ‘development chain’ |
| 2. Development cooperation leveraging PCD in other areas of international cooperation | Joined-up thinking with other policy sectors accepting the need to be ‘development sensitive’ |
| 3. Development cooperation as integral part of international relations | Whole-of-government approach |

Key question: **What do we expect the new EU architecture to deliver for EU development cooperation and its implementation?**

Sub-questions:

a) **What principles and lessons learned in development cooperation need to be safeguarded at all costs in the design of the new EU architecture?**

b) **What are the risks and opportunities of these new paradigms for development cooperation?**

c) **How can development cooperation best increase its leverage in EU external action and particularly among EU internal policies with external ramifications?**

d) **Should the MDGs remain the main objective for EU development cooperation?**
Session 2 – Working Groups
Translating the vision into a new institutional architecture

The three working groups will look at three different aspects of how the vision explored in Session 1 might be translated into practice in a new institutional architecture.

Each working group will be accompanied by both an ECDPM and an external resource person with technical expertise.

A participant rapporteur in each working group (supported by an ECDPM rapporteur) will be requested to identify a three or four key points from the discussion that can be reported back in a 5 minute presentation to the plenary. The ECDPM rapporteur will write up a fuller account of the group discussion after the meeting.
Session 2 – Working Group 1

Creating political space for a Development Commissioner

Key question: What are the implications of having a Commissioner for Development in the College of Commissioners as well as a ‘double-hatted’ High Representative for Foreign and Security Policy?

Background

First of all, the relationships between the Commissioners within the College and with the HRFSP will to a large extent depend on the staff and budget they each manage. The Treaty provides for the HRSFP to be supported by an EEAS. So, in other words, a key issue is which parts of the current Commission structures will be integrated into the EEAS and what control will the HRSFP have over the remaining geographical, thematic and functional areas left within the Commission structures.

Second, the role of the Commissioner for Development will be to a large extent shaped by the way the HRFSP will execute his mandate. In particular, how the HRFSP relates to development is important not only in terms of his/her coordination function for all areas of external action, but also as the HRFSP and EEAS are likely to have control over significant ODA programming and allocation in certain geographic (e.g. Neighbourhood Policy) and thematic areas (e.g. human rights, conflict prevention).

Starting from the assumption of conventional foreign policy imperatives, the HRFSP could be expected to be absorbed by short-term crisis management and strategic security concerns. Some fear that the HRFSP may tend to focus on the intergovernmental dimension of his job – CFSP and ESDP. At the same time, in his role as Vice President of the Commission, tasked with coordination of all areas of EU external action, the HRFSP might leave the other external action Commissioners limited room for manoeuvre, and try to subordinate the other areas of external action under foreign policy. Such a ‘security-oriented’ HRFSP with little preoccupation for developmental objectives, would thus need to be balanced by a strong political figure as Commissioner for Development Cooperation, able to exercise maximum and effective control over ODA funds.

Given the strengthened prominence of development cooperation in the Lisbon Treaty, there could also be an expectation that the main actors representing the EU in the world would be concerned with and actively engage on development issues. The HRFSP is – together with the Council and the Commission – responsible for ensuring consistency of the EU’s external action (Lisbon Treaty, art. 10a/ 21). This should include PCD, as the Union must ensure that all its policies take account of development objectives, namely poverty reduction and

---

2 EEAS: European External Action Service
eradication (art. 188d/208). With the Lisbon Treaty the objective “to foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty” (art. 10a/21) is elevated to the highest level and will now be on an equal footing with “to safeguard its values, fundamental interests, security, independence and integrity” within the EU’s external action. They might thus be expected to play a role not only in promoting PCD – that goes beyond simple consistency in external action – in the realm of shared and Union competencies.

In addition, the double-hatted role of the HRFSP could also have a potential role in encouraging further integration of development cooperation in the EU, for example by pushing for progress in an EU-wide division of labour in development cooperation. Such a strong engagement of the HRFSP on development issues might imply a more technical task for the Development Commissioner, who could find his niche in providing expertise, quality control and monitoring for other administrative units managing ODA.

Third, **within the College of Commissioners** the introduction of Lisbon and the formation of a new Commission provides the ideal opportunity to (re-)consider old and new questions of organisation and hierarchy.

If Development is partly absorbed by the EEAS, this may put development in a weak position vis-à-vis DG Trade, which is widely assumed will remain a DG entirely separate from the EEAS, with its own geographical desks for all parts of the world. The relationship between the Trade and Development Commissioners is of particular interest at a time when the Economic Partnership Agreements (EPA) negotiations are expected to be finalised and implementation of the EPAs is starting.

New issues arise through the widening global development agenda and the regionalisation of international relations discussed in Session 1. For instance, how will the Development Commissioner relate to the potential Commissioners for Environment, Justice, or for relations with specific geographic areas (Asia, Latin America, etc.)? In particular, how will the Commissioner for Development ensure development principles are adhered to in ODA allocation, programming and management when faced with rising pressures from other Commissioners to handle ODA funds in other administrative units.

---

**Key question: What are the implications of having a Commissioner for Development in the College of Commissioners as well as a ‘double-hatted’ High Representative for Foreign and Security Policy?**

**Sub-questions:**

a) **Should the roles and mandates of the HRFSP and the President in terms of development cooperation be defined more clearly?** How might this be done?
b) What are the implications, if the Foreign Affairs Council, chaired by the HRFSP, deals with development cooperation? Is there a need to revive a separate Development Council and what lessons can be learned from the past 5 years since it last existed?

c) What are the key tasks (policy, political coordination, monitoring and reporting, programming, project identification, implementation, monitoring and evaluation of ODA, etc.) and areas (geographical, thematic) that the Commissioner for Development needs to have direct control over?

d) For the areas outside of the direct control of the Commissioner for Development - what mechanisms need to be in place to ensure that the Development Commissioner can play a strong role guaranteeing development principles in the College and vis-à-vis the HRFSP?

e) How will this organization at the top of the hierarchy relate to the field? What authority does the Commissioner for Development need to have over work in the Delegations, in particular in the context of recent linking of aid allocations to governance reform and political dialogue?
Session 2 - Working Group 2

Prospects for a single Development DG

Key question: What are the implications of institutionally merging or separating development policy, programming and implementation?

Background

Critics of EC development cooperation have often attributed a perceived “implementation gap” or tendency towards “policy evaporation” and weak internal learning to the separation of elements of the development chain. Currently, the Development Commissioner is responsible for DG Development (policy and programming) and DG ECHO (policy, programming and implementation). The RELEX Commissioner is responsible for DG AIDCO, which deals with the implementation of programmes and projects from the identification. Although present at the policy level, the geographical split between DG DEV (ACP) and DG RELEX (LA, Asia, Neighbourhood) is thus overcome in the implementation phase. There are historical reasons for this current configuration, but aside from general institutional inertia the main reason for it persisting seems to be that handling policy development, programming and implementation in one single DG would create an oversized and unmanageable administration. Another reason is of course the difference in the EU’s political interest towards the various regions and topics, which led to some geographical and thematic areas being removed from the control of the Development Commissioner although they do involve significant ODA funds. Currently, ODA policy and programming thus takes place in three different DGs (DG RELEX, DG DEV, DG Enlargement). Obviously, this split is an issue for the internal coherence of EU development cooperation, as also reflected in the variety of objectives and approaches of different instruments and budget lines.

In practice the delineation between policy, programming and implementation is never really clear-cut yet separating these spheres at any one point in the programme cycle has implications. Currently, the EU institutions make the split after programming at country level. Political coordination, monitoring and reporting, which informs development policy and programming, is conducted by Delegations reporting to RELEX, by Commission geographical desks and by Council geographical desks. For the regions under its responsibility, DG DEV deals with policy development, aid allocation and programming of the Country Strategy Papers and Regional Strategy Papers. DG AIDCO takes over from the moment of project identification and the annual action programme and follows through implementation, monitoring and evaluation. If there needs to be a split between policy, programming and implementation for reasons of administrative efficiency or for political reasons, different options for the cut-off point are worth considering. The following table suggests some alternative ‘homes’ for the different development cooperation tasks if they were not be handled by a single DG for development.
Table 2: Who will do what tasks in the development chain?

<table>
<thead>
<tr>
<th>Tasks in the ‘development chain’/ ‘programming cycle’:</th>
<th>Alternative ‘home’ for task if not a DG for Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development policy for LDCs/ all developing countries/ ACP/ Asia/ Balkans and Turkey/ Neighbourhood</td>
<td>EEAS or ‘regional’ DGs?</td>
</tr>
<tr>
<td>Political monitoring and reporting for above regions</td>
<td>EEAS?</td>
</tr>
<tr>
<td>ODA programming at strategic level</td>
<td>Regional DGs or EEAS?</td>
</tr>
<tr>
<td>ODA project identification</td>
<td>Implementation DG?</td>
</tr>
<tr>
<td>ODA implementation</td>
<td>Implementation DG or External agency?</td>
</tr>
<tr>
<td>ODA monitoring and evaluation</td>
<td>External agency?</td>
</tr>
</tbody>
</table>

These options obviously have considerable ramifications and many issues need to be kept in mind which cannot all be resolved in one discussion. However, a few key issues stand out which are perhaps important to prioritise:

- **Avoiding that the EEAS is overburdened**: There seems to be fairly widespread agreement that the EEAS should not be burdened with technicalities and procedures of implementation (except for the Stability Instrument [IfS] and CFSP). Yet even if this principle is respected, certain geographical areas (e.g. neighbourhood) are likely to fall under the EEAS’ realm and it would therefore have policy and programming for development cooperation for these areas.

- **Implementation DG and the EEAS**: Most proposals for architectural reform currently circulating suggest that one Commission DG – as with DG AIDCO now – would hold responsibility for implementation of all programmes (except for the CFSP, the IfS and the Pre-Accession Instrument (IPA)) in all regions (Asia, Latin America and ACP) except the Balkans and Turkey). Hence, if partial integration of development cooperation into the EEAS takes place this will clearly further split up the programming cycle.

- **Role for single Commissioner for Development**: One key issue will be whether there is a need for the Commissioner for Development to ‘hold the purse strings’ for all ODA spending – to fully control programming and implementation of ODA – in order to ensure that development principles are followed through in practice. If this is not the case then one has to imagine what tools and incentives would allow the Commissioner for Development to exert influence over ODA spending outside of his direct control.

- **Accountability issues**: One also has to consider what accountability mechanisms would be needed in place to ensure that all policy development and programming that informs ODA spending is guided by and respects
development principles? For instance if policy and programming for conflict prevention and the Neighbourhood region were under the EEAS – how would the Commissioner for Development exert any influence over the development policy pursued?

**Key question: What are the implications of institutionally merging or separating development policy, programming and implementation?**

Sub-questions:

a) What are the benefits and costs of merging all development tasks under one DG and one Commissioner? How might any costs be mitigated?

b) If some separation of tasks in different structures is necessary, what are the minimum areas of responsibility of the Commission structures for development cooperation to ensure adequate delivery and effectiveness of the EU’s development objectives?

c) How can the Commissioner for Development best safeguard development principles if s/he does not have responsibility for the full development chain?

d) What are the implications of associating/ separating Development Cooperation and Humanitarian Aid policy and programming?
Session 2 – Working Group 3

The EEAS and EU development cooperation

Key question: What are the implications of implementing the European External Action Service?

Background

There are at least three basic principles to keep in mind in considering what the EEAS should do for development cooperation. These would seem to be that the EEAS should first of all deliver both the political and development outcomes sought as discussed in Session 1; second it should actively promote coherence, both of policy and of institutional action, and third it should be efficient in the way it works and interacts with other parts of the EU institutional system.

At a more practical level however, the basic question that the creation of the EEAS poses for development is whether the new service will include simply diplomats dealing with foreign policy issues or whether its functions will be broader including other sectoral areas of EU external action such as, possibly, development cooperation.

The question poses itself not just at headquarters level but also in the Delegations as it is not yet known to what extent development officials in the field will be responsible to the EEAS or to the development DG(s) of the Commission or indeed perhaps to both. It is generally understood that Heads of Delegation will be double-hatted as is already the case with the HoD to the AU in Addis Abeba, but this need not apply to all staff in the Delegations.

Possible integration into the EEAS concerns the current DG Development and the development components of DG RELEX. The most cited reason for the integration of parts of the Commission into EEAS is essentially efficiency, but observers also usually see this as increasing coherence. The idea is thus to streamline the bureaucracy by avoiding duplication of geographical desks as well as increasing the consistency and complimentarity of EU external action by avoiding conflicting objectives emerging from over-compartmentalised structures. The question of control over spending and implementation is key, not only in terms of monitoring and achieving results, but also in terms of determining the level of parliamentary oversight and control.

A major question flowing from these choices is of course to ensure adequate capacity. EEAS and Commission headquarter services and Delegations will all need the appropriate staff capacity and skills to deal adequately with the tasks allocated to them.

The areas of trade and humanitarian aid (as well as EuropeAid and Enlargement) are rarely considered for integration into EEAS. It does not even seem to be
contemplated to subject these areas to political coordination and reporting by EEAS. This shows that trade and humanitarian aid are generally regarded as technical topics that follow an individual logic and specific principles largely autonomous from the rest of external action. One question would therefore be whether development cooperation should strive for a similar position in order to protect itself from political instrumentalisation or undue influence from an HRFSP seeking to subordinate it to short-term foreign policy interests? As discussed in Session 1, there are risks and opportunities in promoting such a concept of a specific, independent, technical view of development cooperation. For example, it could be argued that to ensure consistency of external action in one area such as the EU response to conflict, the HRFSP and the EEAS should control the full range of EU conflict prevention, crisis management and post-conflict institutional building instruments.

Gavas and Mawell (2009) explore this question using a scenario approach with minimalist, maximalist and hybrid models. Table 3. below provides a simplified overview of the three models proposed in their paper. Following the discussion in Session 1, the details of the responsibilities of the Commission and the EEAS along the ODA programming cycle (overall or individually for the various geographical regions) can be thought through using the three models in this table. The table is proposed as a mental tool to facilitate the discussion rather than as concrete proposals.

<table>
<thead>
<tr>
<th>Key question: What are the implications of implementing the European External Action Service?</th>
</tr>
</thead>
</table>

Sub-questions:

a) Should any tasks in the ODA programming and implementation cycle go to EEAS and if so which ones?

b) What might be the implications of a maximalist or minimalist EEAS for the evolution of the bilateral development programmes of the Member States – in terms of Division of Labour and of capacity to contribute to policy development or various areas of expertise?

c) Which architecture model would best suit the role of the new Union Delegations in development cooperation in the future both in terms of their ability to manage EU budget or EDF funds and in terms of their role in EU coordination?
### Table 3: Simplified overview of 3 models for the EEAS (following Gavas and Maxwell, 2009)

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Model I Min EEAS/Max COM</th>
<th>Model II Max EEAS/Min COM</th>
<th>Model III Hybrid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EEAS</td>
<td>COM</td>
<td>EEAS</td>
</tr>
<tr>
<td>Political monitoring and reporting (global)</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Policy Formulation</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Programming (global) CFSP + Conflict Prevtn (IfS)</td>
<td>X (CFSP)</td>
<td>X (IfS)</td>
<td>X</td>
</tr>
<tr>
<td>Implementation</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Political monitoring and reporting (ENP, ASEM, LAC, ACP)</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Policy Formulation</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Dev/ODA Programming: (ENP, ASEM, LAC, ACP)</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Dev/ODA implementation</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>CFSP implementation</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Dev implementation</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

3 NB: Unlike Gavas & Maxwell and to simplify this table, we assume that DG ECHO will continue to exist. We also assume that the Council Secretariat will become part of the EEAS and therefore do not differentiate between EEAS geographical desks and Council geographical desks. We also treat the Commission as one and do not distinguish between development policy and implementation possibly being split between two DGs.
Session 3 – Plenary

Report back from Working Groups

Each participant rapporteur will make a 5 minute presentation to the plenary highlighting three or four key points from the discussion. This will be followed by a short discussion for clarifications.

Session 4 – Plenary

Concluding session: Managing the reform process

Key question: What elements may be included in a joint agenda for strengthening EU Development Cooperation ‘Post-Lisbon’?

Sub-questions:

a) After the ratification of the Lisbon Treaty: How do we manage the process of negotiating institutional reform? How to ensure that development concerns are formulated and presented clearly?

b) After decisions on EEAS and institutional reform have been taken: How to best ensure that the principles as expressed in the European Consensus on Development, the Paris Declaration on Aid Effectiveness and the EU Code of Conduct can be upheld in the new setting?