



## The Current Column of 10 May 2010

## Time for European Unity in Development

By Dr. Erik Lundsgaarde and Davina Makhan, German Development Institute / Deutsches Institut für Entwicklungspolitik





## **Time for European Unity in Development**

Bonn, 10 May 2010. On 9 May 1950, the French foreign minister Robert Schuman delivered a short speech at the Quai d'Orsay commemorated as the founding moment of European unification. The idea of a European development policy was born at the same time. Schuman emphasised the positive consequences that a more unified Europe could have for the rest of the world, suggesting that wealth generated through closer economic cooperation could help Europe to foster the development of the African continent, a territory almost entirely under the political control of European colonial powers at that time.

In the sixty years since the famous declaration, the will of European states to pursue common interests through greater cooperation at the European level has varied with changes in political leadership and across policy fields. The pull of national interests in European development cooperation was strong from the beginning: France's wishes to maintain close ties to its overseas territories and then former colonies shaped early European development policy orientations in particular. As more states signed on to the European project, however, national interests concerning relations with developing countries broadened in geographic and thematic scope, and EU member states agreed on a common framework to guide development cooperation placing poverty reduction, sustainable development, and the promotion of good governance and human rights at the centre of their shared agenda. The articulation of this common European agenda has been accompanied by pledges by EU donors to mobilise additional resources for development. As is often noted, the European Commission and EU member states contribute up to 60% of current aid flows.

However, the latest figures on donor giving suggest that Europe is far from meeting its aid pledges. Hurt by aid reductions in countries like Germany and Italy, among others, the volume of European aid declined in 2009. Many EU countries continue to lag far behind the traditionally generous Nordic countries and the Netherlands in financing their common development goals. These shortcomings are significant since the EU's capacity to uphold its pledges rests on member states: only about one fifth of EU aid is managed at the EU level, while the remainder is channelled either through member states' bilateral programmes or their contributions to multilateral agencies.

Even if European donors cannot muster the political will to increase development finance in the current economic climate, they can at the very least redouble efforts to make their aid systems more efficient so that resources can be freed to address persistent development deficits. The European Commission has estimated that better coordination among European actors could save around €3 to 6 billion that could be used to address vital development needs. The majority share of global development aid that the EU provides is a more compelling statement of European leadership if it is clear that investments from member states are addressing complementary aims.

While the EU should not lose sight of achieving its financial pledges, it should equally ensure that it is institutionally able to improve the effectiveness of its external action for development. The reforms foreseen with the Lisbon Treaty carry this promise and development has been placed at the core of the EU's external relations. The EU has been working hard over the last weeks to define the structure and functions of the new European External Action Service (EEAS).





Changing embedded modes of operation takes time. Foreign policy and development cooperation have traditionally been areas where national interests have prevailed over unified action negotiated in Brussels or in consultations with partners in the developing world. Since 2000, several policy frameworks have been adopted internationally and within Europe calling for both greater coordination among donors and alignment with partner countries' preferences. Under the 2007 German EU-Presidency, the EU formulated a Code of Conduct to promote improvements in the division of labour among European donor countries, encouraging them to focus engagement in areas where they bring special competencies and to limit duplication.

Strengthening the consistency of European development efforts and making efficiency gains requires strengthening the level of European coordination. This does not necessarily imply shifting resources for development away from the bilateral programmes of EU member states toward supranational implementing agencies, but does imply a larger role for EU institutions in bringing together community-wide development strategies, setting standards, and creating enforcement mechanisms to ensure that standards are more than empty rhetoric.

However, the Union can only position itself as a coherent and credible an actor for development if its member states allow it to do so. The Spring Package put forward by Development Commissioner Andris Piebalgs is a stark reminder that a successful EU development policy depends on the active support and political will of member states to jointly formulate a consistent response to development challenges and act upon it.

The arduous process of setting up the EEAS can only lead to a meaningful outcome for development if member states are prepared to make the difficult decisions and concessions required for European coordination to occur. Only on this basis will the newest step towards greater European integration taken with Lisbon translate into more effective engagement with developing countries. The moment is ripe for European political leaders to carry the more than 60 year old vision of a unified Europe forward to development policy.





Dr. Erik Lundsgaarde and Davina Makhan, German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE).