



The Reorganisation of EU Foreign Relations: What Role for Development Policies within the European Institutional Setup?

At the end of 2009 important changes will be implemented in European foreign relations. Previous reforms in European development policies have not changed the basic decision-making procedures, and the lines of responsibility for development policies have remained and will continue to remain shared by the Union and its member states. Now, however, structural issues have become imminent which affect the EU's foreign relations and for this reason will alter above all the context of its development policies.

The Lisbon Agreement resulted in a major expansion of the EU's Common Foreign and Security Policy (CFSP). A Vice-President of the Commission, to be named by the Council, will in future serve as a "hinge" between the CFSP and other external relations, including the area of development policy. Development policies will be required to establish their relationship to the "High Representative of the Union for Foreign Affairs and Security Policy".

Major reforms will go into effect in the EU in 2009/2010, above all with regard to foreign relations. Ratification of the Lisbon Treaty has been successful. It came into force on 1 December and is regarded as a lesser substitute for the European Constitution, whose ratification was unsuccessful in 2005. The new Commission will therefore take the new provisions of the Lisbon Agreement into account. The Commission President, after his re-nomination for a new term of office by the European heads of state and government, was confirmed by the European Parliament. Decisions on new EU commissioners took place in the capital cities of Europe; yet, Commission President Barroso is responsible for the selection and assignment of portfolios. What institutional changes are upcoming? What possible effects will result with the options for Europe's role in the global development?

Actors in and goals of EU foreign relations

Global changes in the last decade, not least the rise of Asian powers, along with the current economic crisis and its global implications, confront European politics with major challenges. Even though reactions to international crises are discussed within the circle of European foreign ministers in Brussels and often put to a vote there, the EU up to now has continued to act far below its potential, in spite of its practice of consultation among the member

states regarding foreign and security policies. In the case of key issues such as Middle East policies or its relations with Russia, however, deep-seated discrepancies are still present, and with regard to China an open competition between EU states is in full swing. The Union's ability to act as a player on the global stage is thus often in question. With some restrictions, this also applies for development policies. Collectively, the EU supplies more than half of all global development aid. On the other hand, the Union and its 27 member states act independently of one another and thus have, a very great need in practice for coordination if a coherent European policy for global development is to come into being. This need prevails in spite of general consensus regarding the principles of a better division of labour.

Although foreign policy and development policies in the ideal case have complementary target systems in view (e.g. long-term global security), they nevertheless work with a differentiated time horizon and from different perspectives of interest. In view of forthcoming global challenges, the retention of a strong voice in development policies at the Commission table remains decisive in importance. Otherwise the danger remains that knowledge of and competence in development policy will be lost sooner or later when development policy targets are structurally neglected or subordinated to foreign policy interests.

A central decision will be made in the design of European External Action Service. A stronger structure for development policies, one which both closely meshes with the work of the *de facto* Foreign Minister but remains nevertheless independent, would correspond most with a consistent continuation of the EU's targets to date and would be appropriate for future challenges.

In the last decade, the European states and their joint institutions, i.e. the Council, the European Commission, and the European Parliament, have worked out a canon of basic strategic documents. These documents formulate the goals and establish instruments for policies toward non-European countries and regions. In the process, the standards of the Organisation for Economic Cooperation and Development (OECD) were adopted, even though only 15 of the 27 EU states are members of the OECD Development Assistance Committee (DAC). In some areas – not least with regard to the Paris Declaration on Aid Effective-

Box 1: Cornerstones of European policies for global development

The question of what Europe is aiming at in the world and how it intends to reach those goals was put into writing above all in the so-called "grand strategies". Fundamentally they encompass three levels: European policy goals, regional priorities, and administrative instruments.

European policy goals:

- *Europe's consensus on development policy* has been formulated in 2005 for all European actors. It provides the member states, the Commission, and the European Parliament with a common point of departure, a joint formulation of goals, and a basis of discussion concerning the instruments available. Reducing poverty is the primary goal of European development policies. This is supplemented by such values as democracy, rule of law, and human rights.
- In *foreign and security policy*, policies established linkages to development policy. The European security strategy of 2003 understands poverty also as a threat to security. A comprehensive security policy therefore also makes it necessary to combat the causes of poverty and ensure that all partners can solve problems themselves, as in the African Union.
- The EU is regarded as one of the main drivers of a *policy towards climate change*: the consequences of climate change are most heavily felt by developing countries and will pose a central challenge in the next decades. The EU's then High Representative Javier Solana has described climate change as a new threat to global security and presented in the year 2008 a plan of action for the EU for dealing with this challenge.

Regional agreements:

- In the *relationship with Africa* a joint strategy with the entire continent has been in place since December 2007. However, separate regional lines of responsibility continue to exist within the Commission, and there are separate instruments of finance for African, the Caribbean and the Pacific (ACP) states, for South Africa and for the North African neighbouring states.
- Currently, Economic Partnership Agreements (EPAs) are being worked out with the ACP states as a means of better coordinating trade and development policies. However, their usefulness for development is a matter of dispute.
- In addition, *strategic partnerships* have also been established with large developing countries like China, India, Brazil or South Africa. These too encompass in each case a "bouquet" of globally and regionally important topics – including international development efforts. The task now is to breathe life into them.

Administrative instruments:

- The *division of labour* between the member states and the Commission is a further goal of the European reforms. Since May 2007 a Code of Conduct has been in place to establish a division of labour in development policies between the Commission and the member states and among the member states themselves. This multi-layered development policy system needs to eliminate duplication of work; division of labour is intended as the option without unnecessary centralization.
- The European budget was reorganized on a medium-to-long-term basis with the financial perspective 2008 to 2013. Among the instruments, now numbering nine, there is one for development policies and one for crisis reaction (the Instrument for Stability). To date, the European Development Fund (EDF) has been kept separate from the general EU budget; here reforms are pending, for instance in the revision of priority expenditures for the budget in the coming years.

ness and the Accra Agenda for Action – the EU has also succeeded in contributing to the international discussion (see Box 1).

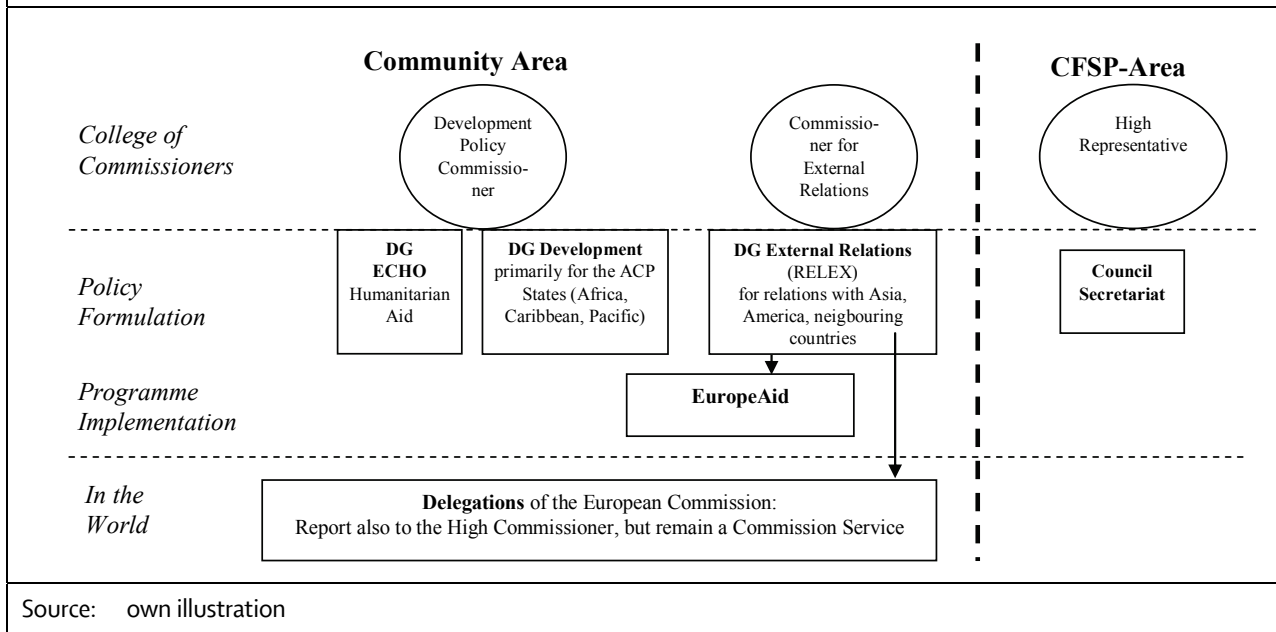
The EU's institutional structure in external relations is complex (see Figure 1): Within the Commission there is a geographic division of responsibility. Development policy is primarily formulated by the Directorate General for Development (DG DEV). DG DEV is oriented above all toward the ACP states (Sub-Saharan Africa, the Caribbean and the Pacific), whose relationship with the EU is laid out by the terms of the Cotonou Agreement. Humanitarian aid is given separately and on a cross-regional basis by ECHO, which was politically directed by the Commissioner for Development and is now to become a separate post in the Barroso II Commission. The Directorate-General for External Relations (DG RELEX) is responsible for the shaping of developmental cooperation in all regions outside the ACP states. Directorate Generals each have regional and national experts at their disposal for their respective areas of work. Parallel to the political planning, there is also EuropeAid as an agency which is responsible for the implementation of developmental cooperation; based on a further geographic line of responsibility, it was under the direction of the Commissioner for external relations rather than the Commissioner for Development.

Institutional changes in Europe

The changes present in the Lisbon Treaty indirectly affect development policy, since the institutional context for development cooperation will change as a result. The new Treaty names long-term global development and the elimination of poverty as goals of European foreign policy and thus gives additional weight to development policies in European foreign relations (see Box 2). Possibly the most significant change, however, is the creation of an EU Council President and a "High Representative of the Union for Foreign Affairs and Security Policy".

However, it is still unclear what influence the future **Council President** will have in point of fact. Herman van Rompuy was named as the first office holder by the heads of state and government of the EU. His term of office will be two-and-a-half years, once renewable. The Council President may not simultaneously occupy an office of national government; van Rompuy thus has to step down as Belgian prime minister. The agreement specifies that the President of the Council, in addition to the President of the Commission and the "High Representative of the Union for Foreign Affairs and Security Policy" will have a say in the foreign representation of the EU. A great deal will

Figure 1: The institutional setup of development policy under the Barroso-I-Commission



depend in this regard on how ambitious van Rompuy is in external relations.

An official title of "Foreign Minister" was abandoned, since for some member states this sounded too much like a state function. Instead, the position was officially termed "High Representative of the Union for Foreign Affairs and Security Policy". However, the functions of this office will remain for the most part those already planned in the unsuccessful European Constitution. The office holder, Catherine Ashton from the UK, will have the duty of coordinating the foreign relations of the various Commission services as well as the foreign policies of the member states. The *de facto* "Foreign Minister" was named by the Council and will simultaneously be the Vice-President of the European Commission. Moreover, the lines of responsibility will be redistributed within the Commission. This raises questions concerning the responsibilities of new institutions and the financial instruments which will be at the disposal of the future "Foreign Minister". The Lisbon Treaty leaves relatively wide latitude for the organization of duties and the composition of the future European External Action Service (see Box 2).

The European External Action Service: What are the structural options?

It is intended that national and community institutions in future will be bound together within a European External Action Service (EEAS) – which raises issues concerning accountability. Legitimation of the EEAS is closely connected with possible access to financial resources: should these come out of the existing European budget or be apportioned parallel to it and supplemented by national funds? Allied with this is the issue of EU budgetary instruments which will be available to the EU's "Foreign Minister". Thus the supervisory function of the European Parliament is affected. The process of structural reform will make it necessary to discuss two basic models for the EEAS – in each case with possible variants – and make decisions about them:

Box 2: The Lisbon Treaty on the goals of the EU and the European External Action Service

Article 2 TEU
 (5) In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.

Article 27 TEU
 (3) In fulfilling his mandate, the High Representative shall be assisted by a European External Action Service. This service shall work in cooperation with the diplomatic services of the Member States and shall comprise officials from relevant departments of the General Secretariat of the Council and of the Commission as well as staff seconded from national diplomatic services of the Member States. The organisation and functioning of the European External Action Service shall be established by a decision of the Council. The Council shall act on a proposal from the High Representative after consulting the European Parliament and after obtaining the consent of the Commission.

(1) Subordination of development policies in a comprehensive European External Action Service

With a view to the target of improved coherence of foreign relations, it would at first glance make sense to make development policies a part of the External Action Service. This is practiced e. g. in Denmark or the Netherlands and is intended to facilitate coherence and to make it possible to take development policy perspectives into account at all levels of policy formulation. In this way, it would be possible to have recourse to the experience gathered

within the Union and by the member states in this area. Institutionally, however, the development policy perspective in this construct would probably be relatively weak.

Alternatively, this model could be combined with an independent development agency (i.e. a kind of beefed up EuropeAid, comparable with Sweden's SIDA). Even though this would make it possible to gather and maintain a body of expertise, however, development policies without a politically operating Commissioner would in the final analysis be relegated to a technical and/or technocratic issue. This in turn would hardly do justice to the political weight in future of the growing significance of development issues.

(2) Bolstering development policies as an adjunct of the European External Action Service

In this variant, development policy expertise would be bound together as a unit parallel to "classical" foreign policy, comparable to the situation in Great Britain and Germany. Those parts of the Directorate General for External Relations (DG RELEX) which have to do with development co-operation would in the case of separate organizational administrative units fall into the area of DG DEV in order to eliminate the geographic subdivision of political structures, which is hardly justifiable. The previously separate areas of DG DEV (political planning) and EuropeAid (administrative implementation) should be (re-)merged in this model.

The European External Action Service should as a consequence include those members of the current Commission services who deal with Foreign and Security Policy – that is, above all parts of DG RELEX. Likewise, the EU Delegations in the partner countries would be assigned to the EEAS. With regard to personnel, however, they would, for example in Africa, de facto work closely together with DG DEV or DG Trade.

(3) The Financial Instruments

A key point of discussion in the second model is the question of which financial instruments would be available to the "Foreign Minister" beyond the (small) budget of the Common Foreign and Security Policy (2 billion EUR) and the instruments for stability (2.1 billion EUR). Currently under discussion is above all the neighbourhood policy instrument for Eastern Europe, the Middle East and the Mediterranean region (ENPI, Volume: 11.2 billion EUR). The figures refer to medium-to-long term financial planning up to the year 2013. This question of financing is also relevant from the viewpoint of developmental cooperation; at issue here, also in the case of ENPI, is for the most part funds which are classified as ODA (Official Development Assistance). Yet, since relationships with the neighbouring countries are strongly motivated by concerns of foreign policy and integration policies – some of

the Eastern neighbours will apply for entry to the EU in the foreseeable future – ENPI should be integrated in the EEAS and under control of the "Foreign Minister".

Conclusion

The coordination of European foreign relations by the "Foreign Minister" at the topmost political level is praiseworthy. However, she will need politically competent contact partners in the various facets of EU foreign relations, including development cooperation. Although foreign policy and developmental cooperation in the ideal case have complementary systems of goals (i.e. long-term global security), they work with different time horizons and perspectives of interest. This is especially true of major actors like the EU, with their manifold foreign contacts and complex interest situations.

It should be the goal to coordinate development policies with foreign relations in general without, however, dominating them. A great deal will depend on Catherine Ashton's understanding of her office; the challenge lies in coordination of a network-style foreign policy. Whereas the European External Action Service should keep its focus on diplomacy and issues of security, there must simultaneously be an exchange of personnel among the various services in order to avoid a "silo"-mentality. Giving a special role to the EEAS outside the community's structures (as a so-called "sui generis" service) would probably be more likely to hinder the personnel interchange with other services.

Catherine Ashton in her position as "Foreign Minister" has the opportunity to improve coherence in foreign relations. This would ideally take place in the form of team direction of a group of various Commissioners. The strong voice for development policies in the Commission sessions – in addition to a European Foreign Minister – remains a decisive factor. If development policy is not adequately equipped with its own political target system, the danger will arise sooner or later that development expertise becomes lost. Strong development policies within the canon of European foreign policy would be consistent with the discussions of the last ten years. European foreign policy can only gain in international credibility and readiness for future global challenges from a strong development policy profile.



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