

Informal Senior Officials Meeting

The implications of the ratification of the Lisbon Treaty for EU development cooperation

Report

**Château de Neercanne, Maastricht, The Netherlands
16 September 2009**

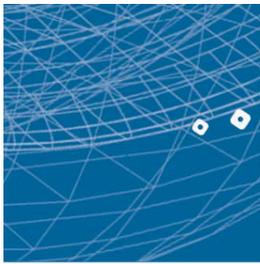
Executive Note

The expected introduction of the Lisbon Treaty in 2010 will make major changes in the way EU external action is conducted. While this carries some risks for EU development cooperation, participants were keen to stress the opportunities it presents. In terms of expectations, participants generally hoped that with progress in EU integration and a stronger EU profile in the world, **EU development cooperation would be strengthened** by the forthcoming changes, that these would promote greater efficiency and improved quality of delivery to partners in the South. Expectations were also high in terms of the new Treaty provisions encouraging greater consistency in EU external action and a good framework for encouraging **policy coherence for development** (PCD) and the necessary policy space for development cooperation to thrive.

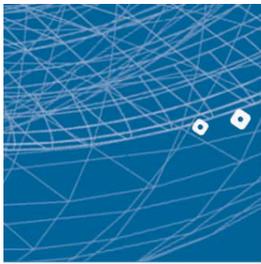
Overall discussion at the meeting appeared to coalesce around a couple of major tendencies. While just about all participants indicated that they hoped the Lisbon Treaty would deliver a stronger EU and a strong development sector, individuals had varying assessments on how these aspirations might best be achieved. One tendency was to suggest that a strong autonomous development Commissioner with the tools to promote development effectiveness was the prime need. Others emphasised that the key issue should be PCD and the secret was to maximise the development sector's leverage on other policy sectors within the EU. In this approach it then became important to focus on the High Representative of the Union for Foreign and Security Policy (HRFASP) and promote a close relationship between him/her and the development Commissioner who would be well integrated into the group of external action Commissioners.

The Treaty was seen to provide a unique opportunity to **clarify and simplify the institutional structures** that had grown up around European development cooperation. It should also **enable greater EU member state involvement** in EU development cooperation and particularly promote accelerated progress towards a genuine division of labour among the EU Member States and the Commission. Equally in the reforms undertaken it was important to maintain and enhance **accountability**.

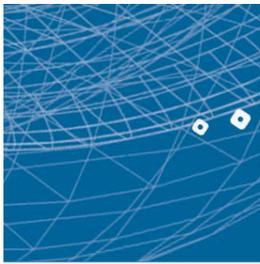
In order to maximise the opportunities of the introduction of the Lisbon Treaty and realise the expectations it raises, a number of the key points for action were identified:



- Above all it was important to work for a **strong position for the next Development Commissioner** within the external action group in the College, so as to provide the necessary leadership for development both inside the institutions and across Europe.
- At the same time it was seen as vital that the new HRFASP had some **good quality development expertise** at his disposal in his cabinet or his services so as to promote good understanding and close collaboration with the Development Commissioner and his services.
- Thus the new European External Action Services (EEAS) would probably have some development expertise though the **bulk of this expertise should be located in the Development Directorate General (DG)**. Close collaboration between these services at all levels should be encouraged by both the HRFASP and the Commissioner.
- Maintaining good control over **programming of Overseas Development Assistance (ODA)** was seen as key in terms of ensuring good development principles and practice are upheld throughout the programme cycle for all geographic and thematic areas so as to deliver effective development assistance. Adequate expertise was needed to ensure this was of high quality. While the temptation might be to concentrate all ODA programming in the development DG it was recognised that the DG could not programme in isolation and thus close coordination with the EEAS services would be vital. This could be promoted by good procedures and adequate safeguards. Again, while the single country desk principle was desirable, most participants felt some duplication was unavoidable if DG for development was going to play its role in programming adequately. The traditional geographic identification of DG Development with the Africa, Caribbean and Pacific (ACP) was seen as outdated, rather a strong development DG needs to have responsibility for international development globally.
- The reforms prompted by the Treaty were seen as a unique moment to re-evaluate and **enhance the smooth operation of the programming and implementation cycle in the EU institutions** that should be grasped. It was generally felt that implementation of all EU development cooperation as well as the programming should be the responsibility of the DG for development and that the Development Commissioner should also have control over the **implementation DG** so as to ensure unified leadership and close coordination.
- In **Council** it was felt that the 6 monthly development cluster in the General Affairs and External Relations Committee (GAERC) worked well and should be carried forward in the new Foreign Affairs Council (FAC). Who would chair the meetings on these occasions was seen as key in shaping progress on integration of EU development cooperation and a common development agenda. While it would be welcomed that the HRFASP would also chair these sessions of the FAC, thereby lending his authority to development questions, it was recognised that his other duties might mean he was not always able to do this. A good replacement with adequate authority acceptable to Ministers therefore had to be agreed. This might be the rotating trio Presidency, but it could also be the Commissioner for Development which would have the advantage of promoting continuity.
- The upgraded **EU Delegations** will become increasingly important and this should be reflected in their staffing. Delegations would clearly come under the EEAS with the Head of Delegation function being double-hatted as with the HRFASP. However, the staff working on development should have a dual line of reporting both to the Head of Delegation, and through him/her to HRFASP, and to the Development DG. There are many examples of this working well in member state embassies so this was not seen as a problem. Delegations play the key role in programming at the country level so their direct link with the



development DG was vital. The enhanced authority of the double-hatted Head of Delegation would be a major asset in providing leadership for further promoting division of labour in development cooperation among member states and with the Commission.



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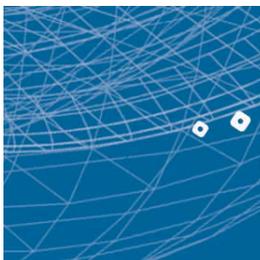
Report

Introduction

Overall discussion at the meeting appeared to coalesce around a couple of major tendencies. While just about all participants indicated that they hoped the Lisbon Treaty would deliver a stronger EU and a strong development sector, individuals had varying assessments on how these aspirations might best be achieved. One tendency was to suggest that a strong autonomous development Commissioner with the tools to promote development effectiveness was the prime need. Others emphasised that the key issue should be PCD and the secret was to maximise the development sector's leverage on other policy sectors within the EU. In this approach it then became important to focus on the HRFASP and promote a close relationship between him/her and the development Commissioner who would be well integrated into the group of external action Commissioners.

The **purpose of the meeting** was to provide 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.

From the onset, participants recognised that the expected introduction of the Lisbon Treaty in 2010 will make major changes in the way EU external action is conducted. While this carries some risks for EU development cooperation, participants were keen to **stress the opportunities** it presents. In terms of expectations, participants generally hoped that with progress in EU integration and a stronger EU profile in the world, **EU development cooperation would be strengthened** by the forthcoming changes, that these would promote greater efficiency and improved quality of delivery to partners in the South. Expectations were also high in terms of the new Treaty provisions encouraging greater consistency in EU external action and with that a good framework for encouraging **policy coherence for development** and the necessary policy space for development cooperation to thrive. However, it was also highlighted that the following must be taken into account as the backdrop of discussions: the financial crisis, declining ODA levels, need for additional financing for climate adaptation and the possible budgetization of European Development Fund (EDF).



In order to structure their debate, participants focussed on four key questions:

1. Creating political space for a Development Commissioner;
2. The role of a double-hatted High Representative for Foreign and Security Policy/EC Vice President;
3. Prospects for a single Development DG; and
4. The role of the EEAS in EU Development Cooperation.

The meeting, attended by some 40 participants from a majority of EU member state development cooperation administrations, was conducted under the Chatham House rule. This report therefore represents ECDPM's summary of the key points that appeared to command general agreement or a broad consensus at the meeting, but it was not formally agreed by participants.

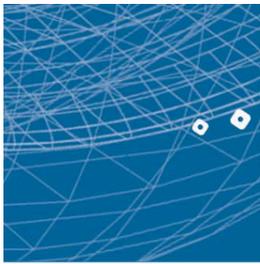
Outcome of the discussions

1. Creating political space for a Development Commissioner

- There was widespread agreement among participants that there is a need for a **strong Development Commissioner**, who represents development concerns and thinking and helps the HRFASP ensure policy coherence for development. The presence of a strong Development Commissioner will also ensure that there is a healthy balance between development and foreign policy priorities.
- Participants noted that it would be desirable if the future Development Commissioner could be **responsible for the overall development budget (all ODA)** with control over all geographical desks, **deciding jointly with the HRFASP** on how to allocate support (and with the European Parliament ensuring accountability). Another alternative would be for the HRFASP to be responsible for the external relation budget, including ODA.
- Above all it was important to work for a **strong position for the next Development Commissioner** within the external action group in the College, so as to provide the necessary leadership for development both inside the institutions and across Europe.

2. The role of the High Representative for Foreign & Security Policy/EC Vice President

The HRFASP 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 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. But in addition, the double-hatted role of the HRFASP could also have a potential in encouraging further integration of development cooperation of the European Community



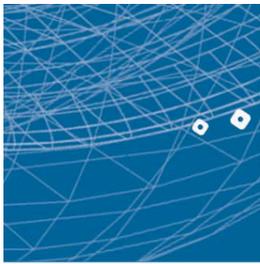
and the EU Member States in the EU. Many questions revolving around the role of the High Representative remain. Some key points emerging from the discussions highlighted the following:

- Regarding the **roles and mandates of the HRFASP** in terms of development cooperation, participants felt that the HRFASP would likely take development objectives into account given his double-hatted position of Vice-President of the European Commission. But *de facto*, the HRFASP will be tackling other urgent issues (Afghanistan, CFSP issues, etc.).
- It was stressed that it is important to **instil the longer-term perspectives of development** (including Policy Coherence for Development) into EU policy making. Participants noted that the integration of development issues into the EU External Action Service (EEAS) under the HRFASP would give development a stronger stance in Common Foreign and Security Policy (CFSP) discussions and could be more effective in the future. Therefore, it is vital that the new **HRFASP has some good quality development expertise at his disposal** – in his cabinet and his services – so as to promote good understanding and close collaboration with the Development Commissioner and his services. **Standard operating processes**, starting also from the bottom up (i.e. with a view to ensuring impact in-country) are needed.
- **Ensuring coherence** between the policies and programmes that fall under the EU External Action Service (EEAS) and DG Development should be **entrusted with the HRFASP**, who will be supported in this task by the Development Commissioner. There is room within the EU to learn lessons from the experience of MS that have successfully balanced development and foreign policy objectives.
- Participants felt that the six-monthly development cluster in the GAERC worked well and should be carried forward in the new FAC. Who would chair the meetings on these occasions was seen as key in shaping progress on integration of EU development cooperation and a common development agenda. While it would be welcomed that the **HRFASP would also chair these sessions of the FAC**, thereby lending his authority to development questions, it was recognised that his other duties might mean he was not always able to do this. A good replacement with adequate authority acceptable to Ministers therefore had to be agreed. This might be the rotating trio Presidency, but it could also be the Commissioner for Development, who would have the advantage of promoting continuity.

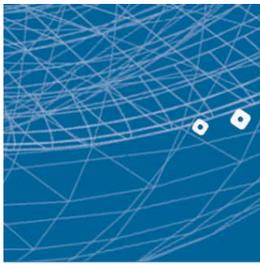
3. Prospects for a single Development DG

Currently, ODA policy and programming of Community Development cooperation takes place in three different DGs (DG External Relations (RELEX), DG Development (DEV), DG Enlargement). Obviously, this split is an issue for the internal coherence of European Community development cooperation, as also reflected in the variety of objectives and approaches of different instruments and budget lines. Although present at the policy level, the geographical split between DG Development (ACP) and DG RELEX (Latin America, Asia, Neighbourhood) is overcome in the implementation phase where DG AIDCO, under the responsibility of the RELEX Commissioner is responsible for implementation from the project identification to monitoring and evaluation.

The following main points emerged from the discussion on this topic:



- The participants agreed that the reforms prompted by the Treaty were a unique moment to re-evaluate and **enhance the smooth operation of the programming and implementation cycle in the EU institutions** that should be grasped. It provides a good opportunity to streamline institutions, de-concentrate ODA implementation and make necessary changes in Council working groups.
- The split between DG DEV/RELEX programming and EuropeAid implementation challenges the policy-implementation link. Three broad lines were taken on this:
 - I. Many participants felt that implementation of all EU development cooperation as well as the programming should be the responsibility of the DG for development. They favoured a **Development Commissioner for development policy and implementation in all geographical and thematic areas** (including responsibility for key tasks such as political coordination, monitoring and reporting, policy formulation, programming, project identification, implementation, monitoring and evaluation of ODA, etc.), thus integrating DG RELEX, DG DEV and EuropeAid. Alternatively, the Development Commissioner could have control over two DGs, one for policy and one for implementation so as to ensure unified leadership and close coordination. In any case, the traditional geographic identification of DG Development with the ACP was seen as outdated, rather a strong development DG needs to have responsibility for international development globally. Extreme positions included that a DG DEV should deal with ODA in all countries including the Balkan (currently DG Enlargement and EuropeAid). Accordingly, the special historical relation with the ACP Group - today an artificial construct - should be discontinued in principle, although it was recognised that may not be politically feasible. Agreement was reached that it would be most desirable if at least responsibility for the ACP (EDF), Latin America and the Caribbean (LAC), Asia (Development Cooperation Instrument) and the European Neighbourhood Policy (ENPI) would fall under the Commissioner for Development. Most participants thought that realistically there would be a general resistance to integrate ENP into the 'development sphere'.
 - II. Some participants favoured a **unified country desk system with worldwide coverage under the EEAS** dealing with all aspects of EU external policy except trade (which is a sole Community competence). This would give flexibility in using the instruments of EU external action and opportunity to rationalise and make policies coherent. The EEAS country desks would lead on allocation of all resources, lead on CFSP and programming of some instruments and coordinate the remaining areas of external relations. Implementation would remain with EuropeAid, but it was made clear that EuropeAid should not have a separate Commissioner and certainly not be integrated into the EEAS.
 - III. A compromise proposal was to link planning/implementation under one **Commissioner for Development who has joint responsibility for this together with the HRFASP**.
- Some stressed the **need for a flexible system** capable of adapting to quickly changing realities, rather than the need for new institutional structures. Thus, less ambitious but key objectives would be improving communication, cooperation and coordination between structures – not structural changes;
- Maintaining good control over **programming of ODA** was seen as key in terms of ensuring good development principles and practice are upheld throughout the programme

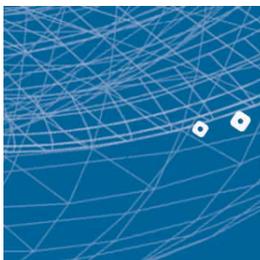


cycle for all geographic and thematic areas so as to deliver effective development cooperation. Adequate expertise was needed to ensure this was of high quality. Most participants felt that **DG Development should be in lead**. However, programming should be a joint exercise, between the HRFASP, the EEAS and the future DG Development/ Commissioner for Development to ensure coherence and efficiency. Thematic programming, in particular the consultation with other DG such as Climate Change and Research, should be coordinated by the Commissioner for Development to ensure Policy Coherence for Development. It was stressed that Southern partners' views are also necessary in programming. It was proposed that programming should to a large extent be done at country level, with a strong lead by the future EU Delegations and input from the EEAS in Brussels. Therefore it is important to **ensure coordination and to put into place checks and balances for its enforcement**.

4. The role of the EEAS in EU Development Cooperation.

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.

- There appears to be consensus around at least three principles that will guide the functioning of the EEAS; the new body will have (i) **to deliver both political and development outcomes**, (ii) to actively **promote coherence** between policies and institutions and (iii) to be **efficient** in the way it works and interacts with other parts of the EU institutional system. Obviously, the **EEAS and the EC should maintain a close working relationship** in order to ensure coherence between development and foreign policy actions.
- Questions were raised on how to avoid duplications between DG Development and EEAS. Political aspects, according to most participants, must remain with the EEAS reflecting the national Ministries for Foreign Affairs. While the single country desk principle under the EEAS was desirable for consistency in external action, most participants felt some duplication was unavoidable if the DG for development was going to play its role in programming ODA adequately. Participants concluded that **geographical desks must exist in the development DG and in the EEAS**. Many felt that a Commissioner for development and a development DG could not work without country desks, in addition to the policy capacity for thematic development issues.
- With respect to the **expertise within the EEAS**, the new Service should incorporate development-oriented political representatives in order to ensure the balance between development cooperation and foreign policy. Yet the **bulk of this development expertise should be located in the development DG**. To avoid duplication, the EEAS would not include expertise dealing with specific sectors of development (i.e. water and sanitation) since that should be maintained within the office of the new Commissioner for development. Close collaboration between these services at all levels should be encouraged by both the HRFASP and the Commissioner.
- The upgraded **EU Delegations** will become increasingly important and this should be reflected in their staffing. Delegations would clearly come under the EEAS with the Head of Delegation function being double-hatted as with the HRFASP. However, the staff working on development should have a dual line of reporting both to the Head of Delegation, and through him/her to HRFASP, and to the Development DG. Some suggested having an Ambassador as well as a head of development cooperation in the



Delegations like in the case of Sweden that integrates the MFA and SIDA to achieve the best result. There are many examples of this working well in member state embassies so this was not seen as a problem.

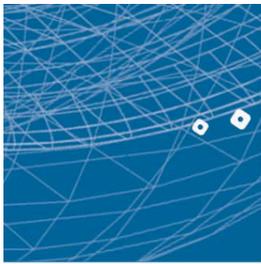
- **Delegations play the key role** in programming at the country level so their direct link with the development DG was vital. The enhanced authority of the double-hatted Head of Delegation would be a major asset in providing **leadership for further promoting division of labour** in development cooperation among member states and with the Commission. **Joint programming** between the Delegations and MS in partner countries should be prioritized in order to introduce greater coherence in EU external action. However, the success of such process will depend on **joint analysis**. **Division of Labour** is also seen as a central tool in ensuring better-integrated EU development policy. The Commission would be able to use its enhanced right of initiative, as provided by the Lisbon Treaty, in order to propose action for better coordination at Headquarters level.
- Some participants suggested that given the new nature of the Service, it can be considered to adopt a **gradual approach** when allocating responsibilities to the EEAS.

5. Points for Action

The main drivers behind the thinking on the way forward for EU institutional reform for development policy seem to be on the one hand the desire to use the opportunity provided by the Lisbon Treaty to strengthen the **consistency of the role of the EU** in the world with a particular view to policies that affect developing countries and on the other hand, the wish to maintain a **strong advocate for the long-term development approach** within the EU institutional structures and for the specific goal of poverty eradication. The discussions are largely about how to combine these goals which sometimes in practice appear to lead to contradictory solutions in the EU architecture.

A number of issues were highlighted as of immediate concern:

- Feeding development thinking into national positions at COREPER and influencing national administrations to shape reform of Commission architecture;
- Appointment of a strong development Commissioner to be effective champion of development. If a strong development Commissioner is important, then it is necessary to give him a strong budget, a clear programming mandate and control over implementation;
- Clarifying the roles of the HRFASP, the Commission President and the development Commissioner in external action - by writing up ToRs for these three lead figures;
- Clarifying the chairing of the FAC and the chairing of CODEV, which plays the key role in the agenda-setting of development Council;
- Can development programming competencies be split up between geographic/in-country, geographic/across-countries, thematic and cross-cutting issues? Equally can these issues then be located with different Commissioners, Services, Committees to enhance coordination and effectiveness?
- Ensure policy coherence for development and development effectiveness in EU external action;
- Ensuring some professional development expertise in EEAS and EU Delegations either through giving a clear mandate and competence on certain development issues to the EEAS, for instance by partially integrating ACP country desks from the current DG Development, or rather by seconding development experts from Member States to the



EEAS. The importance of rotation of staff and of expertise control through the development Commissioner was highlighted.