

# CONTRIBUTION TO OPEN CONSULTATION GREEN PAPER ON THE EUROPEAN UNION DEVELOPMENT POLICY

## “EU development policy in support of inclusive growth and sustainable development: Increasing the impact of EU development policy”

### Prepared by the Arab NGO Network for Development (ANND)

ANND is a regional network including 7 national networks and 27 non-governmental organizations from 11 Arab countries. ANND’s program work focuses on advocating for socio-economic rights in the Arab Region.

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This document aims to contribute to the open consultation process on the Green Paper discussing the EU development policy. It touches upon several themes bearing in mind the questions listed in the EU Green Paper. It highlights gaps and recommends further action to be taken; focusing on lessons learned from the EU relations with the Arab countries, especially the eight Arab countries involved in the Euro-Mediterranean Partnership.

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### Sections 2.1 and 2.2: Putting “High Impact” cooperation into practice & Growth for human development

#### The following questions from the Green Paper are addressed:

- 1- How could the EU and its Member States develop a set of Guidance Instructions on programming and expenditure requiring a certain number of conditions to be met (added value, coordination, impact) for all programmes/projects/support?
- 4- How can the EU and its Member States best ensure that aid on education and healthcare becomes more focused, and increases further its impact, effectiveness in terms of human development and growth?
- 5- How should the EU support skills development in partner countries in line with the features and needs of local labour markets, including in the informal sector? How could the EU's *global approach to migration* contribute in this regard?

- As stated in the Green Paper, *without a food-secure, educated and healthy population a country can never grow and pull itself out of poverty*. Nevertheless, economic and social indicators of the Arab countries (including the partner countries in the Euro-Mediterranean partnership) signal the remaining gaps in linking economic growth models to development challenges in many developing countries. The interlinked objectives of poverty eradication and employment creation are not always reflected adequately in policy formulations and field delivery.
- Effectiveness of aid on education and healthcare in terms of human development cannot be achieved except through linkages to overall comprehensive nationally initiated and rights based development policies. However, such policies that integrate the needs and priorities of various communities nationally often lack in developing countries.

- In this respect, EU must seek to link and operationalize results-based programmes within the framework of overall national development policies to avoid interventions that do not achieve accumulative effect. Such programs ought to be drawn together with the partner countries. They ought to be based on country needs assessments, so that aid becomes focused on pro-poor growth. This should be based on the aid effectiveness principles that the EU declared adoption and support of.
- Therefore, the EU should take this context as a challenge while stating that it recognizes that its partner countries bear primary responsibility for defining their own development strategies. The programmes/projects/support designed in partnership with national authorities and with genuine inclusion of civil society voices and participation, and prioritization of domestic needs, help to achieve real ownership, constructive outcomes, and avoid ad-hoc thematic and disconnected short-term programmes.
- Cross-sectoral dialogue at the policy making level, should be enhanced, in order to understand the implications of macro-economic decisions on social sectors. These concerns are more often reflected in discussions related to the MDGs or the Euro-Mediterranean partnership, where the economic and trade agenda does not align with development cooperation.
- Yet, it is worth taking into consideration that developing a set of Guidance Instructions on programming and expenditure (as noted in the Green Paper) can rather lead to a one-size-fits-all approach, whereas what is needed is to understand the local contexts and politics.
- It is important to note as well that most of the developing countries lack accurate and current aggregated data, which is necessary to undertake needs assessment for human development. Therefore the EU should help to improve the accuracy of poverty and vulnerability data in partner countries. This could also be an important step to ensure that aid on education and healthcare becomes more focused and with better impact and effectiveness.
- Moreover, in each programme/project/support, cross-cutting issues like youth and gender, gaps in development between rural and urban areas, and conditions of persons with disability should be taken into consideration. These gaps have been highlighted in several monitoring processes of social and economic rights in Arab countries (civil society groups from Egypt, Lebanon, Sudan highlighted these gaps in reports on social and economic rights that they presented to the UN Universal Periodic Review process). Highlighting the fact that those groups are often excluded in policy-making in partner developing countries, their inclusion in EU and partner countries co-designed and implemented projects would bring certain level of inclusion and increase attention to their particular needs and root causes of the problems that they face.
- The EU's approach to migration remains overly focused on the security approach. A migration approach by the EU that could contribute to developmental outcomes needs to be extended beyond the security approach, and towards addressing the

root causes of migration, including social and economic conditions. Migration should be introduced as a main indicator in assessing the impact of social and economic policies.

### Section 2.3: Promoting governance

**The following questions from the Green Paper are addressed:**

6- How can the EU adapt its approach, instruments and indicators in support of governance reforms in developing countries/regions?

7- How and to what extent should the EU integrate more incentives for reform into its aid allocation process, for both country and thematic programmes?

- It is stated in the Green Paper that *civil society organizations are vital partners, and in its political dialogue with national authorities the EU promotes minimum standards of an enabling environment for CSOs and encourages a genuine dialogue between State and Non- state actors*. This is a welcome and broadly supported position. However, the engagement with civil society organizations and mechanisms for that matter can be strengthened, and institutionalized, making them more sustainable and accumulative and not of ad hoc nature. Transparency of the partnership processes and the respect to civil society's right to access accurate and timely information is a challenging matter to address in this regard. It is also important to note that, the national EU delegations being the first portal for civil society organizations must be better coordinated and integrated with civil society actors in the region. This further necessitates a more strengthened role in development policy and a more proactive role seeking partnership and dialogue with civil society in the countries supported by the EU.
- When discussing the use of aid to promote governance, one of the major points that ought to be taken into consideration is the need to delink between aid for development purposes and foreign policy objectives of the EU. This has been a major concern of civil society groups in light of the establishment of the European External Action Service. Moreover, the concept of governance can encompass links to *terrorism, piracy, trafficking and criminality* (as indicated in the Green Paper, page 4), and can also include dimensions of political rights and inclusive and participatory institutional structures. That being said, while the development aid should not be politicized and linked to foreign policy objectives, it ought to be rooted in a rights based approach. This necessitates from the EU consistent attention to civil and political rights and violations of human rights in partner countries. It also necessitates keeping the balance between development support of the country and genuine efforts in favor of democratic processes, respect of spaces for independent civil society, and respect for human rights overall. This has often not been the case, whereby we saw the EU supportive of undemocratic and oppressive regimes under the Euro-Mediterranean partnership, whereby economic partnership was prioritized over other objectives of the partnership. It can be noted that economic growth in those countries did not actually succeed in addressing developmental challenges as well. This would necessitate specific programmes and processes for

strengthening civil society and citizen participation in relation to the bilateral relations EU has with partner countries.

## **Section 2.4: Security and fragility**

**The following questions from the Green Paper are addressed:**

9- How should the EU tackle the nexus between security and development, especially in fragile and conflict-prone countries, and put greater emphasis on democratic governance, human rights, the rule of law, justice and reform of the security sector, when programming development interventions?

10- How could the EU better coordinate with development actions when programming security interventions?

11- How can the EU best address the challenge of linking relief, rehabilitation and development in transition and recovery situations?

- The ongoing security dilemma in developing countries not only challenges national and regional contexts but also poses a challenge for the EU. The continuous security and military crisis in many regions of the world, which is reflected in continuing wars, occupations, internal conflicts, the global war on terrorism, and the resurgence of violence, militarization, and war poses one of the major hurdles for the development process and for the effectiveness of the use of development aid. However, there is a setback in realizing the complex interlinks between peace, security and development, which was reflected in the setback in addressing this issue in the 2010 MDGs review process.
- With respect to tackling the nexus between security and development, especially in fragile and conflict-prone countries, the EU must seek to expand the support to local communities beyond short-term and humanitarian-focused projects, with a vision to build the infrastructure for long-term sustained development. Provision of support to civic and economic actors at the national level, including local civil society groups and local private sector and small businesses; and support to the infrastructure sector and those sectors that have direct impact on livelihoods like agriculture, housing, health, sanitation, education should be core to fostering the linkages between relief, rehabilitation and development efforts. Moreover taking into consideration the ongoing security dilemma in the conflict-prone countries such as Palestine, development efforts made will not lead to substantial and sustainable improvement in the situation there unless they go hand in hand with political interventions that can address the real causes of the problem and the rights of the peoples and unless it is properly addressed based on the respect to self-determination and international law. Within this quest, the EU, through its budgeting exercise, should maintain the separation between development aid on one hand and funds for peace keeping, and security and military operations and missions on the other hand.

## Section 2.6: Policy coherence

**The following question from the Green Paper is addressed:**

13- What practical and policy related measures could be taken in the EU to improve Policy Coherence for Development? How could progress and impact be best assessed?

- The EU commission stresses that “*policy coherence for development is a legal requirement under the Lisbon Treaty and that policies in areas such as trade ...can have a huge impact on the poorest countries' capacity to reduce poverty and grow*”<sup>1</sup>. Policy coherence necessitates genuine political commitment, coordination, and dialogue at member state and EU level, as well as with partner countries of the EU. Achieving coherence necessitates establishing cross-sectoral dialogue at the policy making level, and within institutionalized foras and mechanisms that monitor the developmental outcomes of various policies. It also necessitates cross-cutting interventions for effective social and developmental considerations.
- Among the major coherence questions posed at the EU policy making process is the effects of economic and trade liberalization, which is core to the economic partnership model that the EU seeks with various developing countries, on the economic and social national policy spaces of those countries and development processes. The indications in the EU Commission’s paper entitled “Trade, Growth, and World Affairs” in regard to the necessity of consultation with civil society as part of EU policy-making and the embedding of impact assessments and evaluations in trade policy making is a positive indication that needs to be set in practice<sup>2</sup>. At implementation level, institutionalized cross sectoral dialogue, monitoring, and assessment mechanisms need to be set in place. Indeed, trade negotiations ought to be built on well developed human rights- based assessments of the potential impacts of the trade liberalization on the developmental dimensions associated with the sector being addressed.

## Section 2.7: Budget support

- Budget support, is indicated in the Green Paper as important at EU level to support sound economic and public finance policies as well as the reform agendas of partner countries. Through budget support, effectiveness and efficiency is aimed to be raised. However it is important to note that “criticism of the EC’s budget support has focused on the fact that it is linked to IMF seal of approval and as such, sets excessively ambitious objectives in relation to inflation and budget deficits”<sup>3</sup>. Such policy conditionality that is associated with such macroeconomic agreements with the IMF potentially limits the recipient countries possibilities to invest adequately in social services such as

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<sup>1</sup> The EU Commission Green Paper [COM(2010) 629 final], p.11.

<sup>2</sup> European Commission; “Trade, Growth, and World Affairs; Trade Policy as a Core Component of the EU’s 2020 Strategy” [COM (2010) 612].

<sup>3</sup> New challenges, new beginnings: Next steps in European Development Cooperation, European Think-Tanks Group, February 2010 page 11

health and education. Furthermore, cumbersome bureaucratic procedures very often result in long delays before the aid is disbursed.<sup>4</sup>

- Although the consultation process over the future of the EU budget is an important step taken, it should be stated that Parliamentary monitoring of budget processes remains weak and information flows regarding budget support are inadequate. Although civil society actors are strengthening their role on budget monitoring, they are not sufficiently taken account of by donors in their definition and understanding of national control mechanisms. These aspects are as well raised in *Monitoring Budget Support in Developing countries* prepared by DG for External Policies of the Union-Directorate B. (Monitoring Budget Support in Developing Countries, July 2010). Accordingly, the spaces for civil society monitoring role over budget support and ability to access relevant and timely information in this regard are needed. This necessitates transparency in the overall process of establishing and implementing Budget Support, by both partners to a financing agreement. Moreover, enhancing the role of parliamentary committees at the EU level and the level of the receiving countries is core to the effectiveness of the instrument. More detailed recommendations in this regard can be found in the submission for input into the On-line consultation to the European Commission Green Paper: “The future of EU budget support to third countries” presented by EuroStep and partner organizations.

### **Section 3.2: Fostering regional integration**

- It is stated in the Green Paper that EU has found that growth and development *start with an integrated, vibrant, regional market*. Nevertheless, regional cooperation between developing countries has remained weak and with unachieved potentials due to a multiplicity of factors, among which are undiversified production, political tensions and concerns, and the proliferation of signing competing agreements. However, it is more crucial to note that regional integration should be sought not only on economic aspects, but should include a broader agenda including social integration and addressing disparities within the countries of the region. Developing countries lack shared comprehensive visions and strategies for peace and security, democracy, respect for human rights and achieving sustainable development to establish regional integration and cooperation. Moreover, regional cooperation ought not to be limited to the economic liberalization models that often hinder progress on a broader agenda including social integration and addressing disparities within the countries of the concerned region.
- In this respect, it is crucial to note that bilateral agreements signed by the EU can often establish for further competitiveness between countries seeking regional cooperation (such as in the case of Euro-Mediterranean Partner countries), thus underestimating the possibilities of cooperation and integration within the region.

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<sup>4</sup> Ibid

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