

# EU cooperation: De-prioritizing social development

The European Union (EU) is planning its aid programmes with developing countries for the coming period up to 2013. The European Commission has seriously de-prioritized support to social sectors. The interests of the EU itself, in terms of investment and its own competitiveness, feature high on the cooperation agenda, and there are strong connections to counter-terrorism and migration issues. In the case of Africa, social development is de-prioritized, while trade and support to transport and infrastructure are given much greater priority. On the other hand, the lack of inclusiveness in the aid programming process has seriously limited the ownership of the EU programmes proposed for developing countries.

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The interests of the European Union (EU), in terms of investment and its own competitiveness, feature high on the cooperation agenda, and there are strong connections to counter-terrorism and migration issues. It is much less clear how the strengthened legal framework for poverty eradication is translated into concrete actions, especially to support social development, in areas like health, education and gender equality. The country programmes also lack any focus on the environment.

Importantly, the country programmes lack transparency and accountability. Rarely did consultations take place with stakeholders other than EU regional business forums. Civil society has been consistently excluded from the process in most developing countries, and national parliaments have rarely, if at all, been consulted. Even education, health and women's ministries were generally not included in the priority-setting of the EU programmes. This lack of inclusiveness seriously limited the ownership of the EU programmes proposed for developing countries.

## The legal framework for international cooperation

The EU has made some positive advances in the legal framework for its international cooperation. First, negotiations on a new Treaty for the EU include a useful specification and clarification of the legal basis for development aid. The legal basis for development aid is specifically related to all developing countries as defined by the OECD Development Assistance Committee (DAC). Moreover, it prescribes that the objective of EU aid is to eradicate poverty, replacing the rather more confused formulation in the Treaty so far. Originally called the Constitutional Treaty, its level of ambition has recently been modified to fit more modest expectations of EU citizens.<sup>3</sup> However,

the current signs are that the legal base will remain included with its focused formulation, expressing the intention of the MDGs (Presidency draft of 23 July 2007).

Second, a new legal base for development cooperation was adopted, called the Development Cooperation Instrument (DCI). Whilst originally a weak proposal from the European Commission, combining cooperation with developing countries and non-developing countries, the final outcome of the legal base is strong and focuses EU development aid on poverty eradication.

Two very important achievements were made in the DCI. One was the recognition of the target introduced by the European Parliament to achieve 20% of basic health and education in 2009. The second is the European Parliament's right to have scrutiny over the country-specific development plans of the European Commission, as well as the responsibility to check and ensure that these are in line with the legal provisions of the EU Treaty and legal provisions.

## "We decide, you own"

The preparation of country programmes was severely criticized by non-governmental organizations in the South and in Europe. In the publication "We Decide, You Own", GRAPAD, OAG, COASED, CCGDP and Eurostep documented serious weaknesses in the consultation processes of the European Commission.<sup>4</sup> While the Commission maintained that the focus of its process was determined by the developing countries, the NGOs concluded that no consultations had taken place, which seriously undermined the claim that the Commission proposals were 'owned' in the South.

At a meeting in November 2006, Oxfam Novib director Sylvia Borren dubbed the ownership as 'ownership by the elites'. Eurostep and its partners argued that without civil society engagement, there was no ownership, and it demonstrated that in the context of the programming process there was strong evidence that there was insufficient involvement of civil society.

## Social sectors in country programmes

Especially in relation to Africa, the European Commission has seriously de-prioritized support to social sectors. In a publication called 2015 Watch, marking the mid-point of the MDGs, Alliance 2015 observed that since 2001, the EU budget has included targets for allocating aid to basic health and basic education. None of these targets have been met. In the case of basic education, the proportion of aid has actually fallen from 3.99% in 2000 to 2.73% in 2005. Moreover, an analysis of the EU's country programmes for the period 2007-2013 suggested that Europe will continue to miss its targets.

The report identified key concerns related to the programming for Africa. Out of 61 country programmes considered, only five placed priority on education and only two gave priority to health. No action was identified on HIV/AIDS, as this theme was 'mainstreamed'. Gender equality was identified as a priority area in only one country.

The European Commission cites the principle of 'ownership' as justification for its increased emphasis on transport. The 2015 Watch analysis of EU country programmes covering the period 2007-2013 suggested that transport would be a major priority: 19 of the 61 country programmes available foresaw transport as a priority sector for EU support. Moreover, the overall volume of aid available for this sector is set to increase.<sup>5</sup>

Two independent reports released on the health policy of the European Commission concluded that allocations to health had decreased in proportion to the increased aid resources. The proportion of allocations to health decreased from 7% in 1996 to 5% in 2005.<sup>6</sup>

## Democratic scrutiny

In 2007, EU aid programmes for Asia, Latin America and neighbouring countries were adopted. They covered the period 2007-2013 and were scrutinized by the European Parliament. This scrutiny followed a

1 <[www.eepa.eu](http://www.eepa.eu)>

2 <[www.eurostep.org](http://www.eurostep.org)>

3 Van Reisen, M. (2007). "Note on the separation of a legal base between Development Co-operation and Co-operation with Third Countries". Briefing, Brussels, EEPA, July.

4 Eurostep (2006). "We Decide, You 'Own'! An Analysis of the Implementation of European Community Aid to Developing Countries." November.

5 2015-Watch (2007). "The EU's Contribution to the Millennium Development Goals. Halfway to 2015: Mid-Term Review". Ed. Mirjam van Reisen, Alliance 2015, June.

6 Van Reisen, M. and Moore, B. (2007). "An Unhealthy Prognosis. The EC's development funding for health". Action for Global Health, May. Action for Global Health (2007). "Health Warning. Why Europe must act now to rescue the health Development Millennium Development Goals". July.

battle in which the Parliament insisted there should be democratic control over EU plans for development cooperation with third countries.

In subsequent months the next generation of aid programmes for Africa were to be finalized. In February 2007, the German presidency announced it would ensure these programmes would also be examined by the Parliament. The European Commission has yet to act on this intent and the German presidency has not raised the issue again.

Meanwhile, questions have arisen in the European Parliament recognizing the need for stronger scrutiny over country programmes, especially towards the African, Caribbean and Pacific (ACP) countries. In relation to country programmes in other regions, the European Parliament has already assumed this right. NGOs insist that no distinction should be made for the ACP country programmes, which would equally benefit from democratic scrutiny.<sup>7</sup>

The European Commission is placing strong emphasis on good governance in Africa. It is entirely unacceptable that the aid programmes for African countries should not be allowed to pass through the European Parliament for scrutiny, especially since this scrutiny was applied in the case of Asia, Latin America and neighbouring countries.

### Promoting governance or EU interests?

While questions are hanging over the democratic scrutiny of the country programmes for Africa, the European Commission is placing strong emphasis on a governance facility for Africa. The instrument has drawn heavy criticism. Out of a total of 23 indicators, only one is related to the MDGs. Other indicators focus on issues such as migration, trade liberalization and counter-terrorism, with the purpose of negotiating a response to European interests in exchange for EU aid. It is unclear if the signing of European Partnership Agreements (EPAs) establishing new trade cooperation agreements between the ACP countries and the EU will also have an impact on the assessment of the 'governance' in the partner country.

The linking of aid for poverty eradication with European interests through an instrument suggesting that it promotes governance has been severely criticized. It has been suggested that the governance instrument should specify how it judges the quality of governance and promotes it. Questions have been asked on why human rights and democratic governance are not the focus of the governance instrument. Issues have also been raised on the lack of transparency regarding how the governance instrument is used to measure governance in developing countries. The governance instrument does not include

7 Ramachandran, J. (2007). "EU-ACP: More Power to Euro-Parliamentarians urged". IPS News, 16 July.

any role for civil society in assessing and promoting governance in developing countries.

### Budget support and MDG contracting

The European Commission is increasing its general budget support to developing countries. For ACP countries, it has set a goal of 50% of all resources. The latest estimates indicate that approximately a third of resources will be allocated as general budget support. For their part, NGOs have focused on ensuring that the benefits of general budget support are realized, particularly with regard to guaranteeing long-term predictable financing for recurrent costs such as the salaries of schoolteachers and health workers needed for education and health. A report by Oxfam International estimates that more than four million health workers are needed,<sup>8</sup> while Education International has calculated that 18 million teachers are needed.

Following a conference on MDG contracting in July 2007, an EU official told the news agency IPS that the idea of the MDG contract had arisen after the Commission had learned from some ministries of finance that they do not use budget support to hire doctors and teachers because aid had been short term. The official was quoted as stating, on condition of anonymity: "The idea of the MDG contract is to give countries greater certainty, thus making them more confident that they can count on these resources." The official recognized that because this aid would enter the treasury as general budget support, it would be difficult to track how much EU aid ends up in schools or hospitals, adding, "This aid would be mixed with that of other donors. We don't care if it is our money that finances a school. What really matters is the actual results that policies achieve."<sup>9</sup>

At the same conference on MDG contracting, the finance minister of Madagascar welcomed the idea of long-term predictable finance. He also explained that the funding for education was largely ensured by the Fast Track Initiative for Education (FTI), and that the resources made available through the FTI were set aside in a commercial bank rather than the treasury, to ensure that they were available for education.

8 Oxfam International (2006). "In the Public Interest, Health, Education and Water and Sanitation for All".

9 Cronin, D. (2007). "New EU contract could fail MDGs". IPS, 14 July.

Despite the question marks raised in relation to budget support and MDG contracting, the idea of MDG contracting has been embraced as a possibility that could allow greater space for essential services in health and education.<sup>10</sup>

At the same time, caution has been urged with regard to the Commission's ambition to count general budget support as health and education assistance. Given that general budget support makes the allocation of donor money to specific sectors impossible, an expert meeting on this issue called for prudence.<sup>11</sup>

### Benchmarking EU aid

Concerned with the lack of direction in EC aid to support the MDGs, civil society organizations have launched a campaign to set some clear benchmarks for EC aid in order to regain some ownership over the process of EC aid programming for the South. The campaign can be endorsed at: <[www.eurostep.org/benchmark](http://www.eurostep.org/benchmark)>.

10 EEPA (2007). "MDG contracting: Making the Case for More Long-Term, Predictable Budget Support from the European Commission". Briefing Note, Brussels, EEPA, 25 June.

11 Alliance 2015 (2007). "Expert Meeting: Measuring the contribution of General Budget Support to social sectors". Brussels, EEPA, 28 February.