

# Emerging Powers & their Development Aid Policies

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*European perspectives on development  
policies, lessons for emerging powers*

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# Introduction

## Outline of presentation

- What is European Aid?
- EU = 27+1
- Policy Framework – 3 levels
  - European development policy statement
  - Cotonou Agreement
  - EU-Africa Strategy
- Lessons learnt



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# What is 'European' Aid?

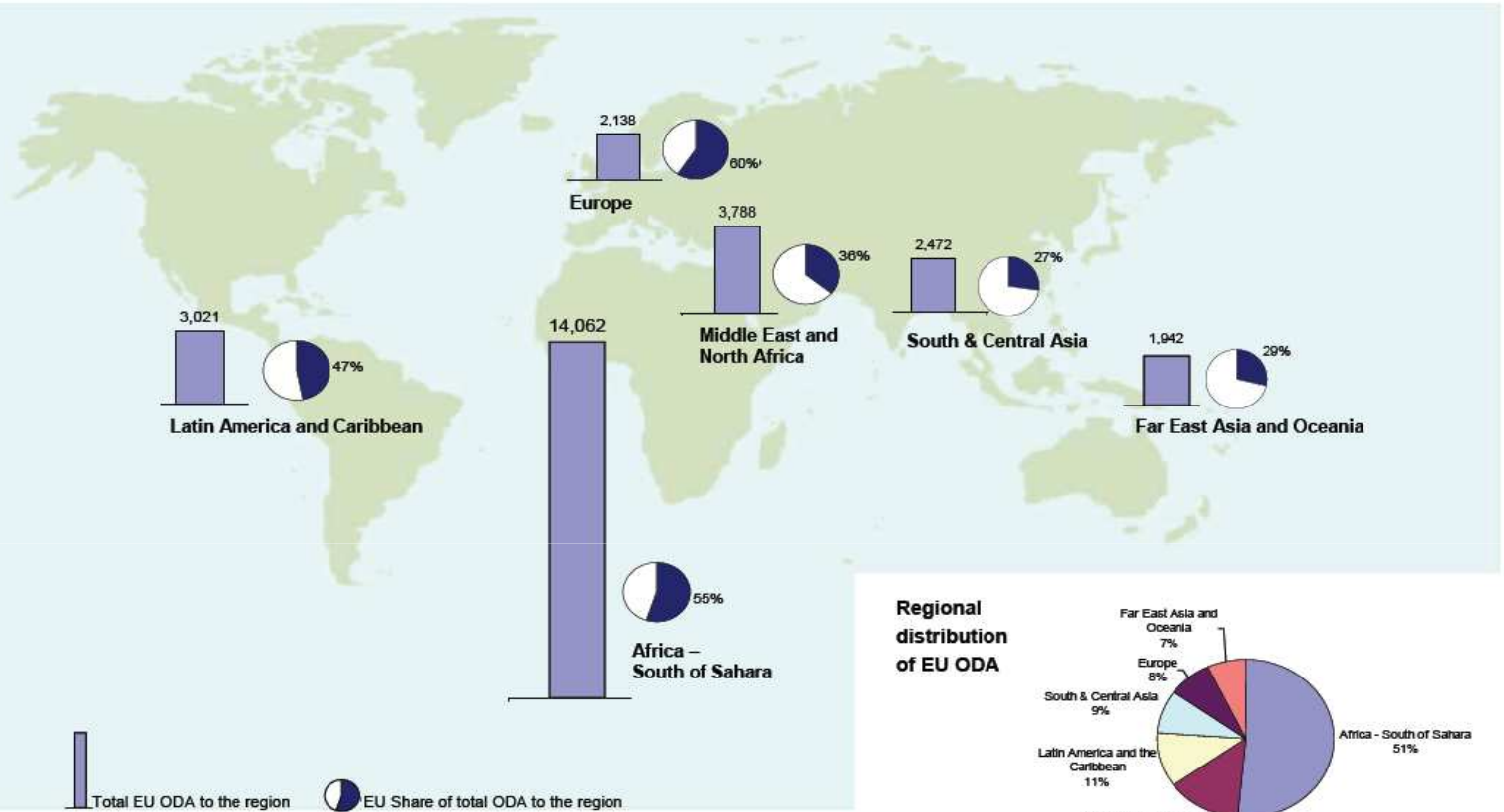
- EU = 27 Member States + EC
- Dev. Coop. is a '*shared competence*'
- EC development programmes from start
  - 1959 on: ACP – Lomé, Cotonou
  - Mid-1970s on: Asia, L.America + Med
- EU MS – own bilateral programmes
- EU Aid in total:
  - 57% global ODA – €47B p.a.(2006)
  - Plus €25B more by 2010



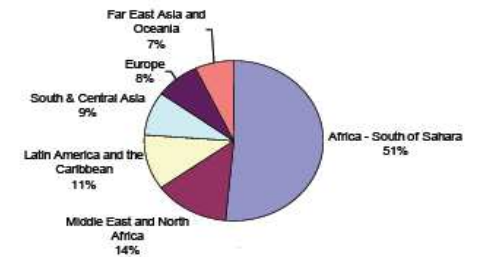
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## EU Aid by Region

EU Bilateral ODA (net disbursements), millions US\$, 2004 and EU share (%) of total ODA to the region –2004)



### Regional distribution of EU ODA



Source: IDS Online -DAC Database - Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a). EU Aid includes European Commission and all EU Member States except Cyprus, Estonia, Latvia, Malta, and Slovenia.



# EU Aid and Human Development

Net bilateral EU ODA – disbursements, 2004



**Human Devt. Index**

- Low
- Medium-low
- Medium-high
- High

**Share of EU Aid/ Total Aid**

 EU Share (blue) of 50% or higher and ODA/GNI greater than 0.3%.

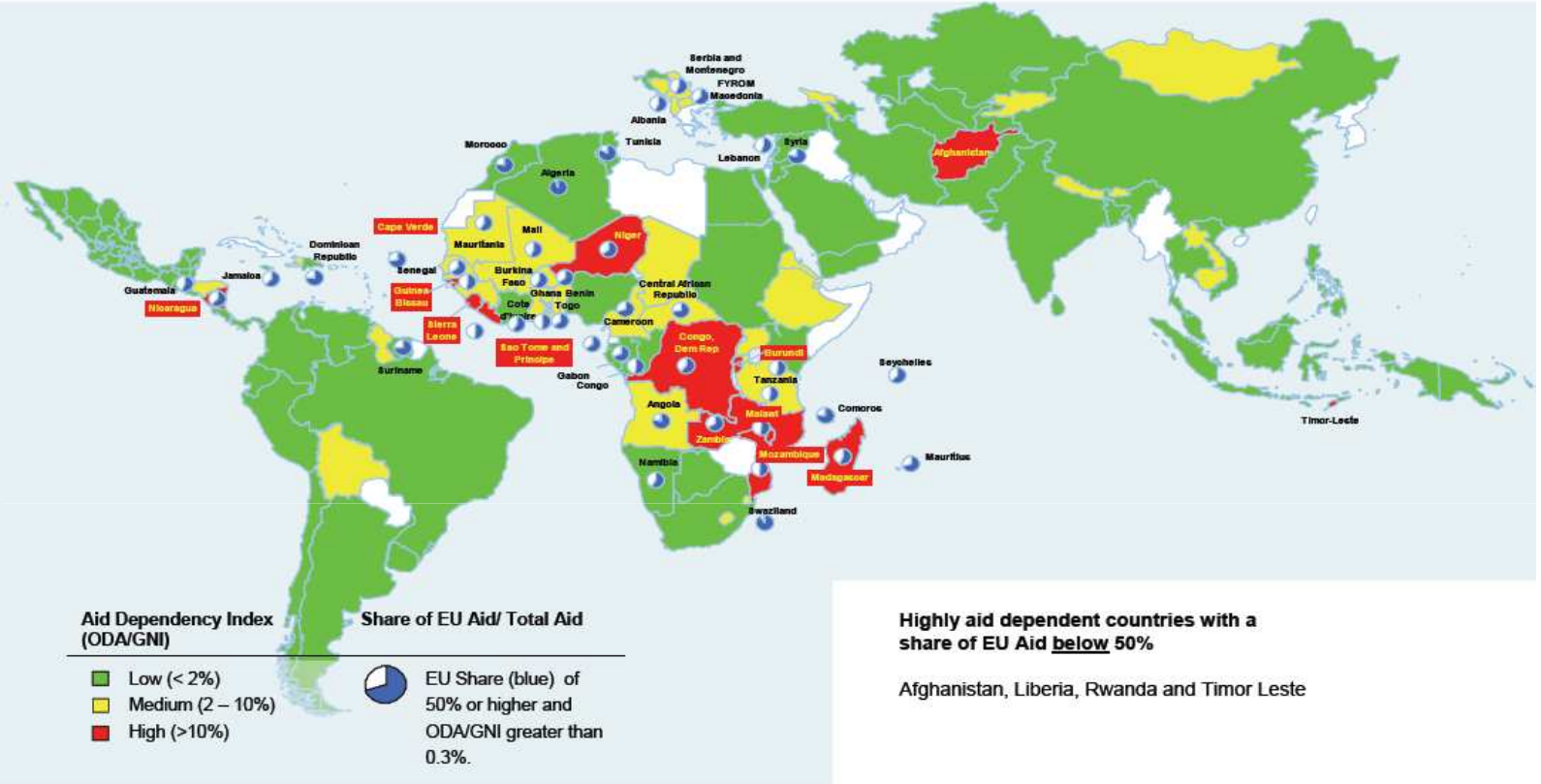
**Low HDI countries with a share of EU Aid below 50%**

Chad, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Haiti, Kenya, Lesotho, Nigeria, Rwanda, Uganda and Yemen

Source: Disbursements: IDS Online- DAC Database. Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a). Human Development Index 2003: Human Development Report 2005, UN. Countries have been allocated to 4 categories, each of which has a similar number of countries, low = 0.28 to <0.51, medium-low = 0.51 to <0.69, medium-high = 0.69 to <0.76, high = 0.76 to <0.89. For each recipient, shares are calculated only among donors with positive net ODA flows to the country. Similar results are obtained (+2% or -2% or less), when using gross disbursements, except in Dominican Republic, Gabon, Ghana, Jamaica, Mauritania, Mauritius, Syria, Turkey and Zambia.

# EU Aid and Aid Dependency

Net bilateral EU ODA – disbursements 2004, as a share of GNI



Source: IDS Online- DACDatabase - Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a). For each recipient, shares are calculated only among donors with positive net ODA flows to the country. Similar results are obtained (+2% or -2% or less), when using gross disbursements, except in Dominican Republic, Gabon, Ghana, Jamaica, Mauritania, Mauritius, Syria, Turkey and Zambia.

# EU + EC

- Variety of views & approaches
- EU MS not one but several groups
  - Nordic Group – scandinavians
  - *‘Like-minded’*: Nordics+UK+NL+D+IRL
  - Traditional donors – some ex-colonial ties
  - New member states – emerging donors
- Dec 2006 – agreed first EU (27+1) policy statement:
  - *‘European Consensus for Development’*



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# European Consensus for Development

- Common Objectives
  - Eradication of poverty + pursuit of MDGs
  - Poor in MICs as well as LICs & LDCs
- Poverty eradication is multi-dimensional
- Common Values
  - HR, RoL, GG, Dem, Peace, Solidarity...
  - Multilateralism + shared responsibility for international development



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# European Consensus (2)

- Common principles
  - Ownership + partnership
    - Support to developing countries' strategies
  - In depth political dialogue
  - Participation of civil society
  - Gender equality
  - Addressing state fragility
    - Conflict prevention work
    - Governance reform + institution building



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# European Consensus (3)

- Delivering more and better aid
  - Increasing financial resources – Monterey
  - More effective aid
    - Paris Declaration
    - Variety of appropriate modalities, → GBS
    - Stability in financing, debt reduction, untied aid
  - Coordination & complementarity
- Policy Coherence for Development: PCD
- Addressing global challenges

# Key Features of Cotonou

- Signed 2000 + runs for 20 years
- ACP Group (78 countries + RSA)
- 3 pillars: aid, trade & political dialogue
- 3 (+1) essential elements (HR+RoL+D +*WMD in CPA Review*)
- 1 fundamental element (GG)
- Principles: joint management, mutual obligations & security of funds

## Cotonou (2)

- Performance based reviews (MTR+)
- NIPs + RIPs + intra-ACP
- Multiple actors: state + non-state
- EDF10 (2008-2013)
  - Grants facility € 21.966 Billion
    - NIP/RIP: € 17.766 B
    - Intra-ACP: € 2.7 B
    - Investment Facility € 1.5 B
  - EIB resources € 2.0 B

*Issues pending: start of EDF10, Annex IV - procedures, EPA negotiations, ACP Group ...*



# The EU's Africa Strategy

- Agreed at European Council, Dec 2005
- 2 continents *'bound together by history, geography and a shared vision'*
- *'A strategy for the whole of Europe for the whole of Africa'*
  - Builds on progress made by Africans
    - NEPAD, APRM, AU, etc
  - Review progress after one year



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# Identifies 5 Areas of Work

1. Peace & Security
  - Support to AU, RECs, African capabilities...
2. Human Rights & Governance
  - APRM, GG progs, Kimberley process...
3. Development Assistance
  - Increase aid, effectiveness, debt cancellation
4. Sustainable Growth, Integration & Trade
  - Infrastructure, EPAs, aid for trade ...
5. Investing in People
  - Primary education, Nyerere, Global Fund HIV/AIDS, food security

# EC Priorities for EU-Africa Strategy *COM(2005)489*

- Achieving the MDGs: core objective
- So 3 priority areas for EU support
  1. Prerequisites for attaining the MDGs  
(peace & security, good governance)
  2. Economic environment for achieving the MDGs  
(growth, trade & interconnection)
  3. Direct targeting of MDG areas  
(social cohesion, education, water & sanitation, etc)

# Joint EU-Africa Strategy

- Agree at Lisbon Summit – Dec 2007
- 4 clusters of topics from Cairo dialogue
  - Peace & Security
  - Trade & Regional Integration
  - Governance
  - Key Development Issues
    - Incl: migration, social, infrastructure, debt, ...
- Additional discussion
  - Shared Vision for strategy



# Shared Vision

- Common Principles
- Objectives
  - EU-Africa political partnership
  - Promote peace, stability, development democracy & integration of Africa
  - Address global challenges
  - Framework for a people-centered partnership
- New Approaches



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# In sum

- *European Consensus* good summary of where debate stands in EU
- Despite divisions in EU – growing will to share experience (UN+DAC+EU)
- Big evolution in policy over 15-20 years
  - End of Cold War
  - UN conferences in 1990s → MDGs
  - Demand for accountability

# Key features of EU policy

- Political conditionality: HR, RoL, D
- Right conditions: peace, stability, GG
- Partnership & accountability
  - At different levels
- Effectiveness
  - Paris Declaration: donor coordination & harmonisation, alignment, ownership
  - Complementarity & division of labour

## Key features (2)

- Quality improvements
  - Poverty focus, crosscutting issues, impact assessments
- Management improvements
  - Emphasis on performance, results
  - PCM, monitoring, evaluation,
- Modalities of aid: SWAPs, GBS, TA
- Methodologies: drivers of change
- Integrated approaches – PCD



# Conclusions

- Donor cooperation growing
- Some conditionality justified
  - But based on international debate
- Quality & performance are important
- Integrated approaches
  - Range of issues covered, PCD
- Yet complexity perhaps too heavy?
- Ownership vital:
  - Participation, Partnership, Alignment



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Thank you for your attention...

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*For more information on  
ECDPM's work on ACP-EU relations:*

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