

The EU and the Developing World: Partnership, Poverty, Politicisation

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Summary

This chapter reviews the evolution of development policy in the European Union since the Treaty of Rome. Between the 1950s and the 1990s, EU development policy could be characterised mainly as a post-colonial policy. The Lomé Convention, hailed as a model for North-South cooperation for its emphasis on partnership, gave the EU a distinctive role in the international arena. Since the turn of the century, EU development policy has gone under a number of transformations. On the one hand, the Cotonou Agreement combined traditional development measures with the new political objectives. On the other hand, there has been an attempt to federalise the policies of the Member States around a common vision on development. More generally, the EU has used development policy as part of its wider external relations agenda in an attempt to establish itself as an influential global actor. However, there have been no signs that it has shifted away from the fight against world poverty, though the policy space for developing countries has significantly been reduced.

Introduction

Development policy in the European Union (EU) has undergone a number of substantial transformations since the beginning of the new century. This *new* era involves both the European Community (EC) programme – which has become more poverty-oriented and efficient, though at the cost of reduced developing country ownership of their development process – and the attempt to ‘federalise’ the policies of the Member States – hence the adoption of the European Consensus on

Development and the ambitious agenda on aid effectiveness.ⁱ This chapter, however, aims to show how the nature of EU development policy has evolved over the past five decades. In particular, between the 1950s and the 1990s, EC development policy was conceived (and also studied) as an interaction between a donor and a group of recipients. This *old* approach, exemplified by the Lomé Convention with its generous trade and aid packages and emphasis on partnership between the parties, gave the EU a distinctive place in the international arena. The erosion of the special relationship with the African, Caribbean, and Pacific (ACP) group had already started in the mid-1980s, so that by the end of the 1990s its normalisation was not a surprise. Predictably, the Cotonou Agreement combined traditional development measures with new political objectives, such as trade liberalisation, prevention of migratory flows and the promotion of global security. More generally, it is argued here, the EU has used development policy as part of its wider external relations agenda, in the attempt to establish itself as an influential global actor. This search for more Europe has not necessarily meant a shift away from the fight against world poverty, but it has certainly reduced the policy space for developing countries.

The Treaty of Lisbon has confirmed these trends. Not only has development policy been kept as an autonomous policy and the framework introduced by the Treaty of Maastricht been strengthened, but for the first time sustainable development and poverty eradication have been included among the general principles of the EU's external action. The application of these new provisions, nevertheless, has preoccupied development practitioners, who have raised doubts about a potential subordination of development to foreign policy objectives. Following this introduction, the second section briefly discusses the evolution, from the 1950s to the end of the 1990s, of what was considered mainly a (post-) colonial policy. The third section focuses on the changes introduced since 2000, including the attempt to create a common vision on international development and to promote synergies between foreign aid and other policies. Particular attention in both sections is devoted to the EC-ACP relationship, which has generally been considered the hallmark of EU development policy. Finally, the Conclusion summarises the central argument of this chapter.

The rise and fall of a (post-) colonial development policy

There is often some confusion when analysts discuss EU development policy as they tend to conflate two dimensions. On the one hand, the EU is a bilateral donor transferring financial resources directly to developing countries via the European Commission – hence the use of the term ‘EC development policy’. This level of resources has progressively increased both in absolute terms – since the mid-1990s the European Commission has consistently been among the top four donors in the world – and in relation to the overall EU aid allocations (the EC has increased its share from 7 percent in the early 1970s to about 22 percent at the end of the 2000s). On the other hand, the EU is a (particular type of) multilateral donor. In fact, the largest portion of EU aid is managed by the Member States, which historically have resisted any proposal to pool sovereignty in this area. Thus, it is only when these two dimensions are combined that the EU becomes the largest provider of official development assistance (ODA) in the world. The origin of this dichotomy goes back to the Treaty

of Rome itself and it has since become a 'structural component' of the relations between the EU and the developing world (Grilli, 1993).

The Lomé Convention

In the context of the negotiation of the Treaty of Rome, the then six Member States agreed to set up a twin package for their colonies in sub-Saharan Africa: a free trade area and a small foreign aid programme, the European Development Fund (EDF), in addition to their own bilateral policies (see box 1 and Table 1). These provisions were certainly driven by a clear sense of obligation and historical responsibility for Europe's colonial past, but there was also the need to ensure the supply of primary goods to Europe's markets and to open up colonies to further trade and investments from European firms. In the face of a French ultimatum, which was seeking to maintain its influential presence in Africa, Germany and the Netherlands opposed the idea of a sort of *EurAfrica* with a more global policy, but eventually had no other choice than to accept. This division between regionalists and globalists has characterised the evolution of EC development policy since. Regionalists – initially France, Belgium and Italy, eventually joined by Spain and Portugal – sought exclusive or privileged relations with former colonies and other areas of the developing world on a regional basis. Globalists – initially Germany and the Netherlands, eventually joined by the United Kingdom and the Nordic countries – placed more emphasis on levels of poverty and development as a whole (Shaw, 1979; Grilli, 1993; Mayall, 2005; Carbone, 2007).ⁱⁱ With decolonisation, the relationship evolved from unilateral 'associationism' to a contractual and negotiated arrangement. The Yaoundé Convention, signed in 1963 with 18 Associated States of Africa and Madagascar (AASM) and then renewed in 1969, broadly confirmed the provisions of the Treaty of Rome, though it established free trade areas between the EU and each of the African states and increased the volume of aid substantially (Cosgrove-Twitchett, 1981; Lister, 1988).

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The adoption of the Lomé Convention in 1975 was hailed as the latest step of a historical process which went from colonialism towards mutual cooperation and equality (Zartman, 1976). In fact, while the Yaoundé Convention was simply communicated to African countries, the newly born ACP group, acting as a united block under the leadership of Nigeria, negotiated with unexpected skills. True, the generous provisions reflected the relative power of developing countries at that time (Gibb, 2000). Moreover, the diversity of the development package that was eventually agreed, which included measures for agricultural and industrial development, managed to satisfy the needs of different types of developing countries (Gruhn, 1976; Shaw, 1979). Various scholars have concentrated on the EU's decision making process, some arguing that it was driven by a convergence of the interests of France and the United Kingdom, others highlighting the central role of the European Commission, particularly Commissioner Claude Cheysson, in unblocking the stalled negotiations (Frey-Wouters, 1980; Lister, 1988; Grilli, 1993).

That Lomé represented a prime example of successful cooperation between developed and developing states, a step towards a New International Economic Order (NIEO), has been the object of a contentious debate. Supporters point mainly to three elements: the principle of contractuality in foreign aid and the fact that development assistance was meant to be free from any interference in the political affairs of the recipients; the introduction of a non-reciprocal trade regime, which implied that almost all ACP goods, with the exception of a small number of 'sensitive' agricultural products, could enter the EU free of any tariff or quota restrictions; the provision of compensatory schemes in case of price fluctuations for countries dependent on commodity and mineral exports, respectively Stabex and Sysmin (Gruhn, 1976; Zartman, 1976; Von Gesau, 1977; Cosgrove Twitchett, 1981). By contrast, more critical observers argued that, rather than transcending, Lomé perpetuated inequalities between the North and the South, establishing a new form of colonialism, with a partial modification of the principle of international capitalism. By securing sources of raw materials, a vast market for its manufacturing goods and a climate conducive to multinational investment, it represented one of the greatest achievements for Europe, but not for the developing world (Galtung, 1976; Mytelka, 1977; Dolan, 1978). Ravenhill has maintained that both parties benefited since they valued items differently (i.e. aid and raw materials). He has, nonetheless, defined the relationship as collective clientelism, which is "a relationship in which a group of weak states combine in a effort to exploit the special ties that link them to a more powerful state or group of state" (Ravenhill, 1985:22).

The Lomé Convention was renegotiated four times and with each revision even the more optimistic observers became disillusioned. First, the small growth of subsequent EDFs combined with fast population growth in the ACP group meant a substantial reduction of the per capita aid received by each country. Moreover, not only was aid disbursement very slow and failed to reach the poorest people, but the EU gradually attached new conditionalities, initially focusing on macro-economic frameworks and eventually expanding into political issues (Brown, 2002; Dimier, 2006). Second, from an economic point of view, the ACP countries did not perform as expected. For instance, the share of ACP products over the total EU imports from third countries declined from 8.1 percent in 1980 to 2.7 percent in 2000. In particular only a few countries (e.g. Mauritius, Seychelles, the Caribbean region) were able to take advantage of the preferential trade regime, while the large majority even regressed (Holland, 2002; Babarinde and Faber, 2005). The introduction of the Generalised System of Preference in 1971, which diluted ACP preferential treatment, and the barriers imposed by EU's protectionist Common Agricultural Policy (CAP) – strict rules of origin, sensitive products and safeguard clauses – contributed to limiting access to the European market and preventing diversification in developing countries. Some analysts even suggested that the discontinuation of the trade preferences would benefit ACP countries by obliging them to become more competitive (Davenport, 1992).

The expiry of the Lomé Convention in 2000 offered an opportunity to rethink the EC-ACP development model. A large consultative process, involving actors in Europe and in the ACP group, was instigated by the 1996 Green Paper, in which the European Commission, presenting a very critical picture, acknowledged that "ACP-EU relations are still a key part of the Union's identity. The postcolonial era is coming

to an end but our responsibilities towards the ACP countries continue” (European Commission, 1996). In light of the disappointing performance of most ACP economies, it called for the replacement of the existing non-reciprocal trade regime with one that was no longer incompatible with WTO rules: in fact, by offering preferences to ACP countries, the EU was discriminating against other low-income countries. Similarly, it criticized foreign aid, which had failed to reduce the number of the poor and had become a very bureaucratic practice (Holland, 2002). In sum, what had contributed to raise the EU’s international profile in the 1970s risked jeopardising its role as a credible development actor - hence the need to change.

Maastricht and the four Cs

The creation of a supranational dimension in EU development policy by the Treaty of Rome was seen by some as the first step of a process leading to the full communitisation of aid. The added value of the first EDF, which was very small, was “its existence not its dimension” (Grilli, 1993:50). However, in the following thirty years, Member States rejected any attempt to promote better coordination as a threat to their national sovereignty. Some discussions occurred in the early 1970s, when a proposal for a gradual transfer of competence to the supranational level of areas in which the European Commission had a comparative advantage was discarded by the Council. In the 1980s the debate continued, but the Council saw in ‘voluntary *à la carte* coordination’ the greatest level possible of cooperation. In the run up to Maastricht, the European Commission re-launched the debate, proposing even sanctions for defiant Member States. France and the UK resisted any proposal for donor coordination, but for different reasons: the latter in line with its traditional euro-scepticism, the former to preserve the status quo. Germany and the Netherlands did not exclude it, but preferred to concentrate respectively on improving the effectiveness of EC aid and enhancing the synergies between development and other policies (Faber, 1982; Grilli, 1993; McMahon, 1998; Hoebink, 2004).

The Treaty of Maastricht laid the foundations for a change of direction by introducing a new legal framework for development policy and institutionalizing three new principles – co-ordination, complementarity, and coherence – which became known as the three Cs. By co-ordination, it was meant that Member States and the European Commission should consult each other and co-ordinate on their aid programmes, including in international organizations and international conferences, with a view to speaking with a single voice; the level of coordination was not specified, but the European Commission was given the task of taking initiatives to promote it. By complementarity, it was acknowledged that development policy was a shared competence and that the programme managed by the European Commission should complement those of the Member States. The European Court of Justice ruled against the subordination of EC development to the bilateral policies of the Member States and even established that once the EC adopts a decision, the Member States cannot take any action that goes against it. By coherence, was meant that the EU should take development objectives into account in all those policies likely to affect poor countries (Carbone, 2007).

Throughout the 1990s, the EU held a number of debates in the Council, issued resolutions, and set up pilot projects. Yet little, if anything, was achieved. At a more general level, numerous Member States considered development policy to be a key

area of national sovereignty, useful to cultivate historical and/or strategic relations with third countries; other Member States were hardly interested or, especially in the case of the smaller states, felt that a single development policy would simply reflect the interests of France and the UK and penalise their recipient-led approaches. At a policy level, most aid bureaucracies opposed any attempt towards better coordination and complementarity, in some cases to preserve power and jobs, in other cases on the basis of their alleged superiority as aid agencies, particularly vis-à-vis the European Commission. A similar fate befell the initiatives on policy coherence for development (PCD). The European Commission, which was paralysed by territorial and ideological clashes between various Directorates General (DGs), failed to lead. The timid initiatives of some Member States (i.e. the Netherlands, and Denmark) were resisted by those who argued that the needs of developing countries were sufficiently taken care of by foreign aid. The most vocal actors were the European NGOs, which launched a number of public campaigns against the EU's agricultural and fisheries policies, particularly in West Africa (Hoebink, 2004; Carbone, 2009; 2010).

Meanwhile, the end of the Cold War and the EU's attempt to create a common foreign and security policy (CFSP) had important consequences for development policy. First, the Treaty of Maastricht introduced the principle of consistency in external relations, which meant that development policy had to contribute to the general goals that the EU pursues in the international arena. In particular, the creation of the CFSP provided the legal underpinning for the inclusion of political issues into the relations with the developing world. Clauses on democracy and human rights started to figure in all development cooperation agreements. Moreover, the EU engaged in conflict prevention and resolution in Africa, though its record was far below expectations. Second, with the fall of the Berlin wall, a large amount of resources was allocated to Central and East European Countries in view of the enlargement, as well as to new states in the former Soviet Union and later in the former Yugoslavia. Moreover, the attempt to affirm the EU as a global actor also implied an intensification of relations with the Mediterranean and, to a lesser degree, Latin America and Asia. The weight of different regions in the EU's external assistance programme significantly changed (see Table 2), but this evolution occurred in a piecemeal way so that the European Commission had to face significant criticism (Bretherton and Vogler, 2006). Some observers, predictably, questioned the added value of the EU's supranational development policy, concluding that it increasingly had turned into "a symbolic gesture ... primarily useful to demonstrate its breadth of commitment to, and relationship with, the South" (Arts and Dickson, 2004: 3).

<Table 2 around here>

Development policy in the new century

At the beginning of the twenty-first century, a new stage began in EU development policy. These transformations should be seen against a changing international context. In September 2000, leaders signed the Millennium Declaration, which was operationalised into eight Millennium Development Goals (MDGs), making the fight against poverty high on the global policy agenda. This implied both more aid – the EU and the US pledges in the context of the Financing for Development Conference held in Monterrey in March 2002 were complemented by other donors – and better

aid – as a new emphasis was placed on donor harmonisation and alignment, which culminated in the 2005 Paris Declaration on aid Effectiveness and the 2008 Accra Agenda for Action. Meanwhile, the terrorist attack in the US in September 2001 was seen as a signal pointing to the increased gap between rich and poor and to the need to tackle new threats in international security. Various countries decided to boost the security-development nexus, which for some meant a strenuous fight against international terrorism and for others a new focus on ‘fragile states’ (Woods, 2005; Bretherton and Vogler, 2006).

The pre-condition for the new stage in EU development policy, however, was the extensive reform of all EC external assistance programmes that the European Commission carried out in an attempt to address criticisms – like, for instance, that of the British Secretary of State for International Development Claire Short who defined the EC as ‘the worst development agency in the word’ (Santiso, 2002). At the policy level, a Development Policy Statement adopted by the European Commission and Council in November 2000 clarified the principles and practice of EC development policy. In particular, it made poverty eradication the primary goal, reduced the areas of intervention to those in which the EC was deemed to have a comparative advantage, and reiterated the EU’s commitment to the three Cs (Council of the European Union, 2000). At the management level, a number of measures was adopted to make sure that aid would be disbursed faster, including the creation of a new body (EuropeAid) in charge of implementing all external assistance across the various regions, the further devolution of activities to the external delegations, and the simplification of instruments for external assistance (Dearden, 2003; 2008).ⁱⁱⁱ All these measures not only contributed to improving the record of EC development policy but also restored the credibility of the European Commission, which explains why some of the most skeptical Member States changed their attitude when new proposals for better donor coordination were launched in the mid-2000s. But first the new century opened with the signature of a new EC-ACP convention.

The Cotonou Agreement

Following lengthy and tense negotiations, the Cotonou Partnership Agreement (CPA) was signed in June 2000, this time for 20 years, with a revision clause every five years – though it came into force only in April 2003 due to delays in the ratification process. Some characterized it as ‘incremental change’, in line with the idea that the Lomé Convention was as an international regime (Lister, 1997; Forwood, 2001; Farrell, 2009). For others, it represented a fundamental break with the past (Holland, 2002; Babarinde and Faber, 2005; Flint, 2009). The negotiation process shows that, despite the renewed emphasis on partnership, a large majority of EU’s proposals, if not the totality, were agreed, so that Hadfield (2007:46) has concluded that its interventionist stance has “transformed the CPA into a deeply politicized development convention that was no longer comprehensively linked to its stated goal of poverty reduction”. In fact, while the most cited innovations concerned the aid and trade regimes, there were also significant changes involving the political component.

In the area of development assistance, the Cotonou Agreement replaced the principle of aid entitlements, which implied fixed allocation of aid for five years, with a system meant to secure value for money. Aid allocation would no longer be based only on an assessment of needs (i.e. population, per capita income, social indicators,

indebtedness, dependence on export earnings) but also on performance (i.e. progress in institutional and macro-economic reforms, effective use of resources, implementation of measures towards poverty eradication and sustainable development). The Country Strategy Papers (CSPs) and National Indicative Programmes (NIPs), to be elaborated in collaboration with recipient governments and non-state actors (see box 2), have become the tools to reward and penalize countries – although the EU has retained the sole responsibility for financing decisions. The reduction of instruments to deliver aid – one providing budgetary, sectoral and project support and another providing for emergencies – implied the demise of Stabex and Sysmin, to the disappointment of the ACP group (Dearden, 2003; Babarinde and Faber, 2005).

<Box 2 around here>

In the area of trade, the CPA dropped the principle of non-reciprocity and replaced it with trade liberalisation. It also introduced the principle of differentiation, with divisions based both on geography – negotiations of the so-called economic partnership agreements (EPAs) with six regions (four in Africa, one in the Caribbean, and one in the Pacific) were to be finalized by January 2008 – and levels of development, with the group of least-developed countries (LDCs) still to benefit from preferential access to the European market. This was the result of a difficult compromise within the European Union, which put the ACP countries in a ‘take it-or-leave it’ situation. Some Member States (e.g. France) sought to preserve the existing trade regime together with the integrity of the ACP group; others (e.g. Germany) proposed a new grouping of the ACP countries based on continents, and wished to normalize the trade regime; yet others (e.g. the UK and the Nordics) raised concerns about the potential marginalisation of the LDCs caused by free trade (Forwood, 2001; Babarinde and Faber, 2005). The rationale used by the European Union to introduce the EPAs – poor performance of the EC-ACP preferential trade regime, the need to comply with WTO rules, the pursuit of regional integration – was considered hypocritical and ill-justified. Not only did the EU try to shrug off responsibility for its own policy when it could have tried to alter these rules (Hurt, 2003), but the triumph of neo-liberalism failed to take into account transformation costs, the loss of customs revenue for developing countries, and the limited scope for trade expansion for countries that depended heavily on primary goods, to say nothing of the problems caused by the EU’s Common Agricultural Policy (Holland, 2002).

With Cotonou, the relationship between the EU and the ACP group became more politicised. The inclusion of new topics such as good governance, illegal migration, anti-corruption, did tighten up the conditions for receiving aid, but for some it was a consequence of the incorporation of development policy within the CFSP: “It was no longer possible to quarantine development policy as being purely economic in content; its association with CFSP made it undeniably political as well” (Holland, 2004:288).^{iv} For others, more critically, the new political dimension was strictly linked with economic liberalization: “Market freedom and political freedom (in the shape of liberal democracy) are mutually interdependent, and essential to the achievement of developmental outcomes” (Farrell, 2005:278). The Cotonou Agreement also contributed to strengthening the link between aid and security by foreseeing the funding of activities in the area of peace building, conflict prevention

and resolution. This, for Hadfield (2007:44), confusedly merged the objectives of the EC as a donor (i.e. promotion of development) with the EU as an actor (i.e. reduction of security threats) and ultimately “has generated an international actor whose development policy remains separate from its explicit foreign policy perimeters but yet visibly obtains as a foreign policy platform”.

The implementation of Cotonou has raised even more controversies than its conclusion. An empirical assessment of two generations of CSPs (2002-07 and 2008-13) demonstrates that aid effectiveness has been enhanced, and not only because of the large use of budget support. The European Commission, however, seemed too eager to show that it was able to disburse money quickly. Hostage to its past management failure, in a majority of cases it failed to effectively engage with recipients governments and civil society (Carbone, 2008b). At the same time, the geographical distribution of aid and new aid commitments demonstrates that since 2000 sub-Saharan Africa countries have received more financial assistance than they did in the 1990s, which supports the view of those who argue that poverty eradication has become the main goal for the EU’s development policy (Olsen, 2008b). The agreement of the ‘Peace Facility for Africa’ in 2003 sent the message that the EU is genuinely committed to promoting regional security, although the use of EDF money to fund it was criticized. The commitment to democracy and human rights proved more rhetorical than substantive, confirming the fact that the EU’s lofty aspirations do not always match the reality, often resulting in significant policy evaporation on the ground (Crawford, 2005). The politicisation of the EC-ACP relationship was augmented with the first revision in February 2005 and the second one in June 2010, thanks to the adoption of new measures aimed to combat terrorism, control migration, and tackle climate change (Mackie, 2008).

In the case of the EPA negotiations, the European Commission’s emphasis on reciprocal trade liberalization over development – as a consequence of the lead role taken by DG Trade – initially attracted little public attention. The ACP group seemed acquiescent, or simply reluctant actively to engage with the EU. The agreement of the Everything but Arms (EBA) regulation in May 2001, by granting quota and duty free access to all goods coming from the LDCs with the exception of arms and ammunitions, had provided the poorest among the ACP countries with an alternative to regional free trade agreements^v Increasingly, criticism towards DG Trade mounted: some Member States (i.e. the UK and Denmark, supported by the Nordics), decided to break ranks and manifested their dissent publicly, emphasizing development and social dimensions over trade liberalisation; the ACP group accused the EU of simply wanting to impose its views, which was in violation of the principle of partnership enshrined in the Cotonou Agreement; the ‘stop EPAs’ campaign launched by Oxfam and endorsed by a large number of European NGOs received wide attention. These continuous expressions of dissatisfaction with the EPA negotiations affected the Commission’s behaviour, which began to be more positive in its attitude towards development-oriented agreements. When the December 2007 deadline was reached, only the Caribbean region had signed a full EPA; 20 countries had agreed to an ‘interim’ EPA; 43 countries had chosen not to sign anything. The interim EPAs, which still reflected the EU’s offer, focused on trade in goods, included a transition period for sugar and rice, and a gradual liberalization of trade in ACP countries, as well as a range of development-supporting measures (Elgström, 2009). An important

consequence, nevertheless, was that one of the main aims of the EPAs – promotion of regional integration – not only failed to materialize, but some countries, both in the Pacific (i.e. Papua New Guinea, Fiji) and in Africa (i.e. Cameroon, Ghana, Côte d’Ivoire), decided to abandon their regional partners and signed interim individual EPAs (Stevens, 2006; Faber and Orbie, 2009a; Elgström and Frennhoff Larsén, 2010).

The European Consensus on Development

A central component in the new stage in EU development policy has been the search for a more coordinated and coherent development policy. In view of the 2002 international conference on Financing for Development, the Member States decided to make a joint commitment on volume of aid and other financing issues. The most visible outcome was the pledge to increase their collective volume of aid from 0.33 to 0.39 as a percentage of their collective Gross National Income (GNI) by 2006. The importance of this decision – together with the monitoring role assigned to the European Commission – was not so much linked to the actual increase of aid, as to its consequences: it reversed declining trends in foreign aid; it raised to the EU level an area in which national sensitivities had always prevailed; it showed that, by acting as a single actor and setting an example, the European Union was able to lead – in fact, a number of other donors, including the United States, boosted their foreign aid budgets (Carbone, 2007). Not only was the target on volume of aid achieved before the deadline, but, in May 2005, the EU committed itself to a more ambitious target, that of reaching 0.56 per cent by 2010 and 0.7 per cent by 2015. Of course, some Member States (i.e. Germany, Greece, Italy) were reluctant to accept these commitments and used budget constraints as potential obstacles. Nevertheless, they “set in motion a process of peer pressure among European Member States, making it politically costly for any single government to renege on its ODA promise” (Orbie and Versluys, 2008: 76).

These commitments on the quantity of aid were supplemented by a new emphasis on the quality of aid. Following the British leading role, in December 2005 the European Union adopted two regulations, which established the full untying of all EC aid on a reciprocal basis with other international donors. Moreover, Member States committed themselves to a transparent mapping and monitoring of their activities through the periodical update of an EU donor atlas, to establish joint multi-annual programming and country-based harmonisation roadmaps and to increase the number of co-financed projects (Carbone, 2007). Another central component of this new stage of EU development policy is the agenda on policy coherence for development. In May 2005, the European Commission launched an ambitious programme for the whole EU, eventually endorsed by the Council. A large number of policy areas, twelve in total, were identified, and for each of these areas specific ‘coherence for development commitments’ were agreed. When this agenda was launched, it was celebrated as a major success for the EU, succeeding where other international organisations had failed (Carbone, 2009).^{vi}

All these attempts to improve the EU’s development record and image culminated in the European Consensus on Development (ECD) – signed in December 2005 by the Presidents of the European Commission, Parliament and Council (European Commission, 2006). The ECD was celebrated by EU official discourse as a document that for the first time ever provided a policy platform setting out common

objectives and principles, to be applied not only to the policy implemented by the European Commission but also to those of the Member States. Reaching a final agreement, however, was complicated. The European Commission initially tried to sell it as an update of the 2000 Development Policy Statement. In this sense, it was accepted that unlike the Member States, the European Commission should be present in all developing countries but concentrate on a limited number of areas, on the basis of a dialogue with partner countries. By contrast, its role as promoter of EU-wide coordination met with the resistance of several Member States. By doing so, it was argued, the European Commission was simply attempting to increase its role in development policy, transcending the shared competence issue and seeking a form of integration by stealth. On the one hand, a first group of countries (France, Belgium, and more passively the Southern Member States) supported the initiative for a 'European vision on development', including a more active role for the European Commission. On the other hand, a second group of Member States (the UK and the Scandinavians) tried to resist any change to the status quo. In between, a third group of countries (Germany, together with Finland and the Netherlands) endorsed the idea of better coordination between European donors, but did not want to assign any privileged role to the European Commission (Carbone, 2007).

The ECD, adopted when some of the most controversial Commission proposals were eliminated from the final draft, can be interpreted in various ways.^{vii} First, it represented the crystallization of the EU's aspiration to a value-based identity, a sort of 'force for good', that had emerged vigorously since the early 2000s. In particular, to the traditional core and subsidiary norms identified by Manners (2002) in his analysis of 'Normative Power Europe' (e.g. freedom, human dignity, democracy, the rule of law, equality), we can now add some that are more closely related to development policy: ownership, political dialogue and participation of non-state actors. Second, it confirmed the emerging new views of a multi-dimensional approach to poverty eradication that is more suitable to the global agenda of the EU and to its attempt to increase its global leverage (Hadfield, 2007). In this sense, the ECD complemented the 2003 European Security Strategy (ESS). It did so by reiterating the fact that EU would promote multilateralism and contribute to a system of rules, institutions and international instruments set up and implemented by the international community. But at the same time, it rectified the subordination of development to security policy – 'security is a pre-condition for development' – by establishing that the two are mutually re-enforcing goals. Finally, while some saw it as a perpetuation of the post-Washington consensus stress on poverty reduction, democracy and good governance, as well as an alignment with the MDGs (Hurt, 2010), the ECD was an attempt to differentiate the EU's approach from that of other actors dominant in development thinking: that is, the Bretton Woods Institutions and the USA – hence the initial idea for a 'Brussels Consensus on Development' – and increasingly the emerging donors, most notably China.

Various initiatives were taken to operationalise the European Consensus on Development. The first was the Code of Conduct on Complementarity and Division of Labour, adopted by the Council in May 2007. On the one hand, Member States would concentrate their activities in a number of priority countries, making sure that a balance is found between 'aid darlings' (countries that receive large quantities of aid, such as Mozambique, Tanzania, Rwanda, Ghana or Burkina Faso) and 'aid orphans'

(countries that are generally overlooked, for instance Chad, Burundi, Guinea, and the Central African Republic). On the other hand, Member States would limit their activities to no more than three sectors per country and delegate in other sectors to other European donors. The novelty of the Code of Conduct is that Member States would make decisions on their bilateral aid policies by engaging in dialogue not only with the developing countries, but also with their European peers. Moreover, the exercise of responsibility towards forgotten states could be seen as manifestation of the fact that the EU cares about all developing countries, regardless of their colonial past or strategic importance. The second initiative concerned the agreement in October 2006 of a harmonised approach on the issue of good governance based on policy dialogue and incentives, meant to reward countries that engage in reforms and consolidate democratic practices. By using positive conditionality rather than selectivity, the EU was not only seeking to promote aid effectiveness but also raising its profile in international development, thus challenging the leadership of the World Bank and the USA (Carbone, 2010).

Another important commitment was the attempt to promote a common and coherent policy towards the whole African continent. A first strategy was adopted in December 2005, resulting from two different documents, one adopted by the European Commission emphasizing poverty eradication and the achievement of the MDGs, and the other by the High Representative for the CFSP, arguing that peace and security were key not only to the EU's role in Africa but also to the CFSP. A new Joint Africa-EU Strategy was adopted in December 2007 since its predecessor was criticized for lack of adequate consultation of all stakeholders. The starting point was the idea of a "new strategic partnership" based on a "Euro-African consensus on values, common interests and common strategic objectives". To meet these objectives, a detailed action plan for 2008-10 was adopted, including eight EU-Africa partnerships.^{viii} This renewed interest in Africa by the EU had some normative motivations and reflected also changes in Africa – with the agreement of NEPAD and the African Union, African leaders had sent a clear message that they wanted to take ownership of their own future. Nevertheless, it cannot be separated from the threats coming from China's rising profile in the region. Moreover, although the joint Africa-EU strategy was a comprehensive document, the result of an extensive dialogue between European and African actors, the EU's motives and views were still dominant, as witnessed by the disagreement over the issue of trade liberalisation when the document was signed in Lisbon in December 2007 (Olsen, 2008a).

The scoreboard on the achievement of the MDGs at the end of 2009 indicated that, like most international donors, the EU lagged behind schedule and a majority of developing countries was destined not to meet most of the targets by 2015. The global economic crisis that hit the world in 2007-08 had negative consequences on developing countries in terms of worsened trade conditions, lowered remittances, and of course cuts in foreign aid. A number of Member States was still far away from meeting the 2010 EU aid target, yet the volume of aid in the EU had more than doubled between 2000 and 2009 (see Table 3). The initial implementation of all the measures on aid effectiveness and policy coherence for development, moreover, showed that the EU suffered from an implementation deficit, as it so often does (see Chapter 8 of this volume). In particular, empirical evidence suggested that the limited progress on joint multi-annual programming and on the Code of Conduct was caused

in part by hesitant developing countries – which often lack capacity but also fear a potential loss of resources and the imposition of stricter conditionalities by a gigantic donor – but principally by recalcitrant Member States, fearing the loss of visibility and influence. Unsurprisingly, some European aid officials spoke of ‘coordination fatigue’, which seemed to confirm more general trends on the global agenda on donor harmonisation (Carbone, 2010). In the case of policy coherence for development, progress was also much below expectations. Of course, achieving policy coherence is not an easy task due to conflicting political priorities and interests amongst Member States, but even the European Commission (under the leadership of DG Development) in its monitoring 2007 and 2009 reports acknowledged that the EU needs to find a better balance between the promotion of its interests and the concerns of developing countries, particularly in sensitive areas such as migration and security. Nevertheless, the importance of PCD was finally recognised within the European Commission and by the Member States, and this was reflected by the many mechanisms put in place to promote it (Carbone, 2009).

<Table 3 around here>

The implications of Lisbon

The entry into force of the Treaty of Lisbon in December 2009 has substantially changed the framework for the EU’s external relations, including development policy. At a more general level, in addition to the new President of the European Council, which should ensure continuity of policy priorities across the rotating presidencies, the creation of the new post of High Representative (HR) for Foreign Affairs and Security Policy, and of the European External Action Service (EEAS) should reinforce the overall consistency of the EU’s action in the international arena and increase the EU’s capacity to act on the world stage. Development policy was included as one of the EU’s areas of external actions and for the first time sustainable development and the eradication of poverty are included among the overall objectives of the EU’s external action. At a more specific level, the Treaty of Lisbon confirmed most of the existing provisions in a separate section devoted solely to development policy. It established fighting poverty as the central goal of the EU’s development policy. Moreover, while the principles of policy coherence for development remained unchanged, the principles of complementarity and coordination have been strengthened: previously EC development policy had to complement national development policies, but now the two components must “complement and reinforce each other”, with the European Commission still in charge of promoting coordination.

The new institutional framework, particularly the EEAS and the issue of funding, initially generated mixed feelings among practitioners. On the one hand, some pointed to the fact that development cooperation was kept in a separate section. Further deconcentration, with new responsibilities delegated to the EU Delegations, could have a positive effect on the implementation of programmes – though the heads of the development cooperation sections may need to fight to keep resources for development purposes. On the other hand, some warned against a potential sidelining of development, with funding being instrumentalised to pursue foreign policy objectives. Another fear concerned the role of the Development Commissioner vis-à-vis the High Representative. In the new Barroso Commission, interestingly, the post

of Development Commissioner – now separated from humanitarian aid (see box 3) – was assigned to the Latvian Andris Piebalgs, who despite coming from a Member State with relatively little experience on development cooperation, performed strongly in his hearing before the European Parliament. Finally, some observers have raised concerns about the impact of the extended competence that the European Commission has acquired in trade policy, particularly in the light of its bullying tactics in the negotiations over the EPAs (Koebe, 2008; European Think-Tanks Group, 2010).

<Box 3 around here>

Development and the EU's role in the international arena

It should be by now clear that development policy links to broader considerations of the EU's role in the international arena. In line with what is suggested by the editors of this volume in their introduction, this section first looks at the EU as a sub-system of international relations, concentrating on the interaction of Member States and other relevant actors in the making of development policy. Then, it examines the EU as part of the wider processes of international relations, focusing on the role it plays in setting the global agenda on development. Finally, it examines the EU as a power, looking also at how it is perceived by other actors.

The EU's role in international development has been significantly affected by the issue of competence, and the parallel existence of 27+1 development policies. The preferences of the two former colonial powers (i.e. France and the UK) and the changing membership of the EU have shaped the evolution of EC development policy, though after Cotonou this has become less of an issue. Various cleavages, however, exist on the extent to which development policy should be carried out through the EU, which reflect a broader commitment to international development. The most identifiable group is made of a number of like-minded countries (i.e. Denmark, Luxembourg, Ireland, the Netherlands, Sweden, United Kingdom), which tend to give higher percentages of foreign aid, and allocate most of their resources to poor and democratic states, making use of programme and untied aid. They consult before meetings of the Council (as well as the EDF Committee), so that their collective preferences prevail. A second set of countries (i.e. France, Belgium, Italy, Spain, Portugal, Greece), which however does not act as a group, has historically given a lower percentage of aid, allocated resources for strategic reasons (including to former colonies) and made more use of project and tied aid. The latter tends to support proposals for a 'European' approach to international development; by contrast, the former tends to react less enthusiastically, considering it an additional layer of bureaucracy between the national and the international (preferably the UN) level. The countries in Central and East Europe – in light of their limited tradition and low financial contribution to this sector – play a secondary role, though they welcome the idea of a common European approach (Arts and Dickson, 2004; Carbone, 2007; Lightfoot, 2008).

Significant clashes occur also within the European Commission, which ultimately affects the EU's ability to take coherent initiatives. Unsurprisingly, the three DGs which deal mostly directly with the developing world do not necessarily share the same views: DG Development being in charge of programmes in the ACP group and

general development issues; DG Relex dealing with Asia, Latin America, and the Mediterranean and political aspects of development; DG Trade tasked with the aid-trade nexus and the EPA negotiations. Periodically, DG Development may be accused by DG Relex of ignoring broader foreign policy goals, and DG Trade is chastised by both DG Development and DG Relex for overlooking human rights, security and development issues in trade agreements (Carbone, 2007; Holden 2009). Nevertheless, while bureaucratic quarrels have increasingly received more attention in the literature, the European Commission may “no longer be the key problem” (Grim, 2008) and in fact its role as promoter of coordination with a view to making the EU an influential player in the global discourse on development has been acknowledged even by traditionally sceptical analysts (Farrell, 2009). Some scholars, however, have preferred to see the European Commission as part of a trans-national alliance, composed of some international organizations and several EU Member States pushing towards the fight against world poverty (Olsen, 2008b). This argument lends support to those who argue that development policy in the European Union should be seen as a product of multi-level governance (Holland, 2002), in which the role of the Member States and the European Commission must be complemented by other actors within Europe (e.g. civil society) as well as outside it (eg states and civil society in developing countries).

This takes us to the second issue, the extent to which the EU affects the global development agenda. With the conclusion of the Lomé Convention, the EU put forward a distinctive approach to international development, based on values such as responsibility, non-interference, and partnership. This progressive approach was compromised in the 1980s, when hopes that the EU would add weight to the ‘alternative development project’ supported by the UN proved misplaced: the EU started to follow the dominant development paradigm set by the Bretton Woods Institutions, based on neo-liberal principles and on aid conditionality (Arts and Dickson, 2004; Lister, 1997; Holden, 2009). Since the beginning of the new century, there has been another attempt to shape the pace of international development, with a number of initiatives on volume of aid, donor coordination, and policy coherence for development. Whether the EU leads or follows is the object of a contentious debate. Some have maintained that the EU once again has simply aligned itself to an international consensus built around key international organisations. In particular, issues like aid effectiveness, ownership, participation, all found in EU agreements, resonate with the language used by the Bretton Woods institutions (Farrell, 2008); the EU’s emphasis on reciprocity is underpinned by the WTO consensus on the benefits of free trade for development (Hurt, 2010). Others have claimed that the EU’s acquisition of tasks traditionally performed by the DAC (e.g. promotion of donor coordination), and the alignment with the policies carried out by the UN (e.g. achievement of the MDGs) mean sacrificing some policy autonomy, although it is welcomed by developing countries themselves (Holland, 2008; Orbie and Versluys, 2008). The issue, I would argue, is not whether the EU is able to produce innovative ideas. In fact, even if the commitments on the quantity and quality of aid and on policy coherence for development show that the EU has imported these ideas from elsewhere, by taking firm commitments it is still able to condition the behaviour of other international actors, which in some cases have no other choice than to follow the EU’s lead (Carbone, 2010).

Assessing the impact of the EU in the international debate on development is linked to the issue of the EU as a power. Historically, analyses have concentrated on the evolution of EC development policy, with two competing views having emerged. On the one hand, some have considered the EU an aid superpower, arguing that Lomé favoured neo-colonial exploitation and increased economic dependence between Europe and Africa (Galtung, 1976; Ravenhill, 1985). On the other hand, Lomé was seen as the EU's benevolent contribution to international development, a model for North-South relations (Zartman, 1976; Shaw, 1979; Karagiannis, 2004). Similarly, in the case of the Cotonou Agreement, there are those who saw in it a "triumph of realism over idealism", with the EU imposing its interests on weaker partners and using even the more normative aspects – democratic principles, participatory approaches, dialogue – to coerce developing countries (Farrell, 2005; Hurt, 2003). There are those who saw in it an indirect instrument of structural power through which the EU sought to impose development and generic liberalisation rather than its specific interests (Holden, 2009) or more simply explained it as a consequence of a normative shift, with old norms like partnership and obligation being replaced with such principles as liberalization and democratization (Elgström, 2000). Increasingly, development policy has been included in the booming literature on normative power. The EU's attempt to construct an image of 'force for good', promoting the interest of developing countries and norms such as peace, democracy, human rights, sustainable development and regional integration has, however, produced mixed results (Scheipers and Sicurelli, 2008; Söderbaum and Stålgren, 2009; Flint, 2009; Farrell, 2009). In fact, an increasing tension may exist between conditionality and developing country ownership, in negotiations characterized by asymmetrical relations, in spite of the rhetorical claims that the EU differs from other international actors through its emphasis on dialogue (Storey, 2006; Elgström, 2009; Hout, 2010). Finally, another strand of literature to consider is that on outsiders' perceptions. Empirical evidence seems to suggest that expectations are high on the EU to 'champion the interests of the developing countries' and that developing countries often turn to the EU for leadership in international settings. But this is nothing new, as one of the motivations behind the adoption of Lomé was that of being seen as a benign actor, not to mention, more recently, the adoption of the EBA before the WTO round in Doha and the 'solidarity race' with the US on volume of aid before the 2002 Monterrey Conference (Lister, 1997; Santiso, 2002; Bretherton and Vogler, 2006; Chaban et al., 2007; Lucarelli and Fioramonti, 2009).

Conclusion

This chapter has reviewed the evolution of EU development policy over the past five decades. Curiously, the end point of this analysis – the negotiation of the EPAs with six regions in the ACP group – is a return to the starting point, of the agreement of a free trade area with African countries under the Treaty of Rome. In general, EC development policy until the late 1990s can be characterized as primarily post-colonial. The signature of the Lomé Convention, for many observers the most comprehensive and progressive framework for North-South cooperation, inaugurated a season of optimism and gave the EU a distinctive place in the international arena. But with time, not only were those hopes not realized, but the EU lost its identity

through following trends set by other international organizations and by imposing strict conditions on developing countries. At the turn of the century, the strengthened political dimension of the Cotonou Agreement, the normalisation of trade relations with developing countries and the common strategy for Africa were symptoms of an increasingly spasmodic search for a coherent external policy. More importantly, the determination to project a 'European vision of development' through the European Consensus on Development and the new agenda on aid effectiveness was not only an attempt to make aid work better but is consistent with the EU's overall agenda in external relations, that is to establish itself as a global power.

It seems evident that the real added value of EU development policy – whatever the doubts expressed by scholars and practitioners – is not linked to its global presence but to its role in aid coordination and the promotion of policy coherence for development. In its relations with the developing world, the European Union is not only an agency disbursing development assistance, but also an international actor. While the boundaries between foreign and development policies have increasingly become blurred there are no signs that EU has de-prioritised the fight against world poverty. Contrary to what is generally argued, new political objectives have complemented and not replaced development goals, so that development policy has contributed to raising the profile of the EU in the international arena. The emphasis placed on efficiency and consistency in external relations, however, has inevitably resulted in a further reduction of the policy space for developing countries. The new institutional setting introduced by the Lisbon Treaty has meant for some that an autonomous development policy might be at risk, with a further politicisation of development cooperation and the instrumentalisation of development funds for foreign policy objectives. Still, it represents an important step forward for development cooperation by crystallising the view that poverty eradication is the central aim of development policy, strengthening the principle of policy coherence for development and requiring that Member States' and EC development policies complement and reinforce each other.

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Table 1: Evolution of EC-ACP relations

<i>Agreement</i>	<i>Date</i>	<i>EU members</i>	<i>ACP members</i>	<i>EDF</i>	<i>EDF (Mill of €)</i>
<i>Rome</i>	Mar 1957	6	31*	1 (1958-64)	581
<i>Yaoundé I</i>	Jul 1964	6	18	2 (1964-70)	666
<i>Yaoundé II</i>	Jul 1969	6	19	3 (1970-75)	843
<i>Lomé I</i>	Feb 1975	9	46	4 (1975-80)	3,124
<i>Lomé II</i>	Oct 1979	9/10	57	5 (1980-85)	4,754
<i>Lomé III</i>	Dec 1984	10/12	66	6 (1985-90)	7,754
<i>Lomé IV</i>	Dec 1989	12	69	7 (1990-95)	10,800
<i>Lomé IV-bis</i>	Nov 1995	15	71	8 (1995-2000)	12,967
<i>Cotonou</i>	Jun 2000	15	77	9 (2000-2007)	13,500
<i>Cotonou - bis</i>	Feb 2005	27	78	10 (2008-13)	22,682

Source: European Commission online database

Table 2: Regional distribution of ODA by the EC

	<i>1987-8</i>	<i>1992-3</i>	<i>1997-8</i>	<i>2002-3</i>	<i>2007-8</i>
<i>Sub-Saharan Africa</i>	58.3 (32.1/48.3)	55.6 (28.4/40.6)	40.4 (29.5/41.8)	44.0 (34.5/48.4)	40.3 (33.7/41.0)
<i>North Africa & Middle East</i>	10.9 (18.8/15.9)	24.7 (23.2/22.7)	21.1 (12.1/13.1)	15.9 (11.7/9.7)	17.6 (21.9/22.4)
<i>Europe</i>	-	-	11.7 (4.5/4.9)	17.5 (7.2/8.9)	19.5 (4.2/5.3)
<i>Latin America and Caribbean</i>	10.2 (12.1/10.1)	8.7 (13.5/12.4)	12.7 (13.6/14.7)	8.3 (11.6/11.0)	8.9 (9.0/9.6)
<i>South and Central Asia</i>	11.0 (14.8/11.9)	5.6 (10.2/8.4)	8.1 (13.4/9.2)	9.3 (16.2/12.3)	9.1 (15.9/11.7)
<i>Other Asia and Oceania</i>	9.5 (22.2/13.7)	5.4 (24.7/15.8)	6.1 (27.1/16.2)	5.1 (18.8/9.7)	4.6 (15.3/9.9)

Source: DAC, online database

N.B. Data represent percent share of total gross disbursement. Data in parentheses are respectively DAC EU countries and DAC average. Data for 1987-88 and 1992-3 for North Africa and the Middle East include also Europe.

Table 3: Aid efforts by the EU's Member States

	ODA, 2009 Mill of €	ODA, 2009 % of GNI	Aid to EC, 2009 % of total ODA	10 th EDF Mill of €	10 th EDF % of total
Austria	823	0.30	28.53	546.636	2.41
Belgium	1868	0.55	22.72	800.674	3.53
Bulgaria	12	0.04	-	31.754	0.14
Cyprus	29	0.17	-	20.413	0.09
Czech Rep.	161	0.12	53.01	115.678	0.51
Denmark	2017	0.88	9.63	453.640	2.00
Estonia	14	0.11	-	11.341	0.05
Finland	924	0.54	16.87	333.425	1.47
France	8927	0.46	23.33	4 434.331	19.55
Germany	8605	0.35	24.12	4649.810	20.50
Greece	436	0.19	43.80	333.425	1.47
Hungary	83	0.09	64.54	124.751	0.55
Ireland	718	0.54	16.26	206.406	0.91
Italy	2380	0.16	56.17	2916.905	12.86
Latvia	15	0.08	-	15.877	0.07
Lithuania	35	0.14	-	27.218	0.12
Luxembourg	289	1.01	9.59	61.241	0.27
Malta	11	9.20	-	6.804	0.03
Netherlands	4614	0.82	8.97	1100.077	4.85
Poland	249	0.08	69.21	294.866	1.30
Portugal	364	0.23	37.14	260.843	1.15
Romania	99	0.08	-	83.923	0.37
Slovakia	53	0.08	-	47.632	0.21
Slovenia	51	0.15	-	40.827	0.18
Spain	4719	0.46	18.76	1780.537	7.85
Sweden	3267	1.12	6.54	621.486	2.74
UK	8267	0.52	16.31	3361.472	14.82
Total	49029	0.42	-	22,682	100

Source: DAC and European Commission online databases

Box 1 The European Development Fund

The European Development Fund (EDF) is the main financial instrument for cooperation between the EU and the ACP group. It is not included in the EU budget, but is replenished every five years by the Member States. Decisions are made through a weighted system based on the financial contributions made by individual Member States (see table 3). Budgetisation of the EDF was originally proposed by the European Parliament and eventually supported by the European Commission to ensure greater transparency on how money is allocated, but has consistently been opposed by the Member States, who wish to retain control of the aid decision making process.

Box 2 Non state actors and development policy

Non-governmental organisations (NGOs) have played an important role in EC development policy since the mid-1970s, when a co-financing budget line was established for European NGOs that implemented projects in developing countries and, later, raised public awareness on development in Europe. In the following two decades, not only the amount of these resources kept increasing, but they started to be involved also in policy advocacy. This honeymoon came to a conclusion at the end of the 1990s, when the co-financing budget line became a victim of its own success – too many applications for too little money – and the NGO umbrella body was accused of mismanagement of funds. The adoption of a long-awaited communication on non-state actors (NSAs) – which included civil society, business association and social groups – marked a change of direction, with emphasis placed on Southern NGOs. In particular, the Cotonou Agreement provided a comprehensive framework for integrating civil society in the development process, by establishing that non-state actors must be involved in all phases of the development process. The practice, however, has been very different. Efforts have been made to involve as many actors as possible; nonetheless the overall quality of participation has been far from optimal and has been characterized by ad hoc information session, lack of transparency in the selection of participants, and little feedback on the results (Carbone, 2008a).

Box 3 Humanitarian aid in the European Union

The European Community, through the European Commission Humanitarian Office (ECHO), carries out its own humanitarian aid policy and with more than 10 percent of the total is the world's second largest humanitarian donor (after the USA). In the 1990s, EC humanitarian aid was linked to the emergence of the EU as an international actor and was often used as a surrogate for political action or a gap-filler for development co-operation. With the new century the trend has been that of de-politicisation. More importantly, the European Commission has played a major role as promoter of humanitarian co-ordination and harmonisation, proposing the European Consensus on Humanitarian Aid, eventually signed by the Commission, Council and Parliament in December 2007. When the EC and the bilateral efforts of the Member States are combined, the EU provides around half of the

overall international humanitarian assistance, making it by far the world's leading humanitarian donor. The Consensus aims to promote good practices in humanitarian aid by encouraging coordination between the European institutions and by stressing the need to establish good relationships with those actors that are active on the ground, most notably the United Nations and the community of NGOs (Versluys, 2008).

ⁱ For the sake of clarity, the term 'EC aid' or 'European Community Aid' refers only to the programme managed by the European Commission, thus excluding bilateral aid from individual Member States. The term 'EU aid' includes both EC aid and the bilateral aid managed and disbursed by the 27 Member States.

ⁱⁱ Incidentally, a similar evolution can be thought of the EU's trade policy towards developing countries, particularly the divide between liberals and protectionists. When EU trade policy becomes politicized, France forms a protectionist alliance of mainly Southern Member States (i.e. Italy, Spain, Portugal and Greece, and often Austria and Belgium) that opposes trade liberalisation. Germany and the United Kingdom generally lead the Northern coalition of 'free traders', and are generally supported by the Netherlands, Sweden, Denmark, and Finland. The Eastern enlargement in 2004 has not had a major effect on trade policy: Poland and Slovakia may be associated with the protectionist side, whereas Estonia, the Czech Republic, and Slovenia could be seen as part of the liberal camp.

ⁱⁱⁱ In addition to political instruments (i.e. the Instrument for Stability, the European Instrument for Democracy and Human Rights Initiative, the Instrument for Pre-Accession, and the Instrument for Macro-economic Assistance) and to the Instrument for Humanitarian Assistance, the Development Cooperation Instrument (DCI) is meant to support development-related projects and programmes. It can be used for activities in Latin America, Asia, and South Africa and for activities in five thematic areas: environment, migration, non-state actors and decentralized cooperation; food security; social sectors; asylum and migration.

^{iv} Migration and good governance proved two very contentious issues. Eventually, the EU 'persuaded' the ACP to accept the re-admission of any illegal immigrant present in the EU's member states, at "that Member State's request and without further formalities" (Article 13). Good governance was included only as an essential element (rather than fundamental), whose violation would not necessarily lead to the suspension of aid.

^v From the EBA regulation three other goods were also excluded, whose liberalisation was deferred: bananas (January 2006), sugar (July 2009) and rice (September 2009). In general, as largely predicted, its impact in terms of trade flows has been modest. However, when it was launched it was a show-piece of the development-friendly nature of EU trade policy towards developing countries and an element of the EU's strategy to gain approval from developing countries for the launch of the Doha Development Agenda (Faber and Orbie, 2009b).

^{vi} For a detailed analysis of the EU's agenda on policy coherence for development see Carbone (2009).

^{vii} Among the most controversial proposals made by the European Commission that disappeared from the final draft we should point to: the idea that EU development policy might play a significant role to 'harness globalization', dear to France but criticized by the United Kingdom, was replaced by a stronger emphasis on poverty eradication as the primary objective of development policy; the initial emphasis on foreign aid was complemented by a stronger reference to policy coherence for development, to satisfy the requests of the Nordic countries; the provision of a common framework to implement the common development vision was dropped as a result of the resistance of the UK and the Nordic countries (Carbone, 2007).

^{viii} These partnerships included: peace and security; democratic governance and human rights; trade and regional integration (including the implementation of the EU-Africa Partnership for Infrastructure, launched in 2006); Millennium Development Goals; energy; climate change; migration, mobility, and employment; and science, information society, and space.