

EPLO Comments on European Commission's Issues Paper: Towards a European Consensus on governance in development cooperation

We welcome the initiative of the European Commission to address this issue and to invite comments from civil society and others on the proposed approach.

The following comments, from the European Peacebuilding Liaison Office, focuses on the connections between governance and conflict in development cooperation and draws policy recommendations in the context of fragile states.

We concur with the European Commission that governance weaknesses are among the major obstacles in achieving the MDGs and that addressing governance weaknesses therefore are an important element of development cooperation. However, we see several weaknesses in the approach of this document.

1. Although the document addresses the question of fragile states, it does not discuss the risk of instability and violent conflict, despite the fact that many fragile states are threatened by, affected by, or emerging from wars. Development cooperation in fragile states should be based on a peace-building approach. And this peace-building approach should frame all EU's governance programs in these countries.
2. The document states that 'Good governance is based on common, universal values and aspirations'. Yet there may be quite significant differences in opinion between different people, peoples and cultures. The document does not spell out clearly that different people or population groups may have very different values, aspirations, needs and approaches to governance and to development. Even the more specific elements of the 'multidimensional concept' such as democracy, human rights, participation and the rule of law are by no means clearly defined terms in divided societies. Good governance must include the possibility and reality of participation of all parts of society and in situations of conflict this is not a given. One lesson that can be learned from past experiences is that focus on good governance requires in-depth context analysis from design to implementation, and a move away from template solutions in development cooperation. Development cooperation will fail to achieve its goals unless it takes into account the differences of values, aspirations and needs of all parties concerned.
3. On the issue of ownership and dialogue versus conditionalities and sanctions, the EU's use of incentive tranches to promote governance in its cooperation

programmes is welcome, yet not sufficient. Bolder measures are needed. While a commitment to preventive dialogue with African, Caribbean, and Pacific (ACP) countries has been made under the Cotonou Agreement, in practice, the EU has failed to apply governance standards in its partnership with ACP countries in a systematic manner. In the absence of a social contract between the state institutions and the population, these governance targets and benchmarks need to be discussed in partnership with both state and non-state actors at the earliest possible stage in both ACP and non-ACP countries.

4. You ask: "is there a contradiction between the necessary holistic approach to governance and priority setting for reform?". We argue that governance is a cross-cutting issue that needs to be incorporated in all sectors. In conflict situations, governance issues are central to security sector reforms, but also to development programmes in rural areas, where the level of poverty is generally the highest and local authorities often lack accountability while being largely sheltered from international scrutiny. The EU should always promote dialogue among all actors – including traditional chieftaincy – as part of its designing of development programmes in rural areas. Likewise, development programmes in health and education should pay particular attention to local governance issues. Mainstreaming governance is also key in linking short-term with long-term interventions. The EU's Linking Relief, Rehabilitation and Development (LRRD) approach should be strengthened to this effect.
5. You ask: 'In what situations is alignment behind a common reform agenda – i.e. the one decided by the partner country – feasible rather than designing separate sets of reforms – i.e. decided by each donor according to its own priorities?'. The EU should continue to further its commitment to aid coordination amongst its member states, by identifying drivers of change within civil society and state institutions and agree among themselves on a reform agenda as broad and inclusive a basis as possible. There may be scope for designing separate sets of reforms, if the government shows no genuine commitment to poverty reduction and/or willingness to co-operate with civil society and the donor community. Yet, if the donor community fails to include all representatives of the people concerned in its decision making process (and the chances are that it will), its own priorities risk being badly defined and contribute to conflict and instability. The simple pursuit of poverty reduction *per se* can be self-defeating. In the context of fragile states, priority consideration in all development cooperation should be nation-building.
6. With regard to the questions relating to targets and indicators, we believe that local civil society organisations are in the best position to comment critically on the reality hidden behind quantitative targets, such as MDGs. Grass-root programmes that promote dialogue around national advocacy schemes are particularly important in promoting both reconciliation and accountability. In addition, the needs of and contribution by women to establishing good governance is not expressly addressed in this document. However, stable societies have governance systems in which women play a significant role. The support to women and the support of capacity building among women and women's organisations should be a key factor.

7. Also linked to the question on targets and indicators is the important recognition that in fragile states, where there is little respect for the rule of law, successful reforms will be in the long-term and often involve a sea change in behaviour and values. Presently, EU-funded governance-related programmes principally focused on the technical aspects of governance reforms, notably building institutions and promoting a transparent and efficient framework for rules and regulations. But the EU needs to start recognising the inherently political process involved in promoting governance.
8. The EU should become more sensitive to the impact that its own development programmes may have on state fragility. In most countries where the level of aid dependency is high, situations where government officials end up being accountable to the donor community rather than to their own people should be avoided at all cost. This means moving beyond the aid effectiveness paradigm. How to help partner countries move away from aid dependency will ultimately determine the success of governance programmes in both ACP and non-ACP countries in the long-term.

We hope that these points will be taken into account in the drafting of the Commission Communication on this topic, and look forward to seeing the EU take on a coherent approach to governance issues in its partnerships with third countries.

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