European Union Development Policy Statement
Proposed amendments on the Commission Communication, July 2005

General comments

- A great improvement on DPS 2000, particularly with the integration of the nexus between development and the security, social and political dynamics of fragile and conflict-affected states.
- The link between development, security and terrorism should not be over-simplified; the role of governance . as well as history and grievance . cannot be under-estimated.
- The objectives and strategies related to the development-security relationship need to be made more explicit and directive. A common approach to how to address these complex issues through a peacebuilding perspective needs to be expressed.
- The DPS needs to acknowledge that in post-conflict settings, development has an important role to play beyond institution-building by rebuilding the social fabric of societies and supporting (and at least not harming) peacebuilding and reconciliation processes.
- References to corporate social responsibility need to acknowledge that these principles need to be applied with specific sensitivities and guidance in conflict settings and fragile states.

More detailed comments related to specific sections/articles of the Statement are addressed below, with specific proposed amendments underlined.

Part 1: SHARED VISION

1. **Common Vision** .

(p.6) The common vision of equitable globalisation could be strengthened by stating for what purpose. Proposed amendment: %It aims to be a positive force for change by contributing to better harnessing globalisation <u>to eradicate poverty and promote social justice and human security by the more equitable sharing of the opportunities and costs it generates</u>. Its actions support the efforts of the developing countries themselves, <u>based on the needs of those affected by poverty and inequality.</u>+

1.3.   International agenda .

This section should recognise that the Millennium Declaration included substantial commitments to strengthening global (collective and individual) security and that the MDGs can not be achieved without development being placed within its socio-politico and security context.

This section also states that the necessary balance between the three pillars of sustainable development - economic, social and environmental . should be ensured. The fourth pillar is missing, the political pillar. Development does not

exist in a social or environmental vacuum, nor does it exist in a political one. Unless this is recognised then the conditions for sustainable development will not be achieved. Furthermore, development itself can also contribute to reinforcing or undermining the political stability of a community or state.

1.4. Other objectives (p.7) . These should be more explicit and proactive.

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Other EU objectives in the area of development:

To promote **good governance** by:
1. Promoting statesqcapacity and willingness to ensure respect for the rights and freedoms of their citizens, and democratisation
2. Supporting civil society and other interested groups (parliamentarians, regional organisations) to hold their leaders to account
3. Building coherent strategies for the prevention of violent conflict and fragility of states, which constitute major obstacles to the MDGs

To promote **human rights** by:
1. Supporting respect for human rights as laid down inõ .and the rights of migrants, refugees and displaced persons, minorities and indigenous populations
2. Upholding and promoting the Responsibility to Protect
3. Strengthening social cohesion and social welfare, including through the promotion of decent work for all, encouraging corporate conflict sensitivity and social responsibility and facilitating reconciliation processes in situations of post-conflict

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Remove the last paragraph of 1.4. as it adds no value.

1.5. Development: a strategy for equitable globalisation

1.5.1. The links between development and security (p.8)

In its current form, this is a statement rather than a strategy and is too simplistic in its analysis (e.g. poverty is not necessarily a structural cause of violent conflict, nor of terrorism). Proposed re-wording:

Poor people suffer disproportionately from insecurity. Violent crime and conflict undermine progress and prospects for development. There cannot be sustainable development without peace and security. Poverty, underdevelopment and fragile states in turn create fertile conditions for conflict and the emergence of new security threats, including international crime and terrorism.

Conflict-sensitive development, alongside representative and accountable governance and security structures are the most effective means of preventing the (re)occurrence of violent conflict and creating conditions for sustainable development. This means promoting security of the poor as individuals and communities as well as promoting security of states.

The EU will seek to strengthen its long term, strategic approach to fragile states by developing country and regional preventive strategies based on shared political and conflict analysis, in collaboration with local stakeholders and other international donors. The EU will develop an Action Plan on Fragile States, stating how the role of EU development policy can be applied on a case-by-case context. The EU will also consider the application of the Cotonou Agreement as a model for other regional

agreements, based on mutually reinforcing economic, social and political objectives and principles of partnership and ownership.

1.5.3….between development and trade

(Last paragraph, p.8)õ The EU will continue to promote regional integration as a relevant strategy for harmonious and progressive integration of developing countries into the world economy and for building regional incentives for peace, in the framework of the economic partnership agreements.

1.5.5…between development and social dimension of globalisation

(last paragraph, p.9)õ . In addition, the EU will promote decent work for all, enhance its support for fair trade, encourage European companies to adhere to the principles of Corporate Social Responsibility and provide clarification and guidance on the role and responsibilities of European companies in fragile and conflict-affected states.

2. SHARED PRINCIPLES

2.2. Context-specific analysis

The EU promotes systematic context-specific and participatory analysis of the practical and strategic needs of third country stakeholders and the potential impact of all aspects of EU policy on the social, economic and political dynamics of third countries. This is to ensure that EU internal and external policy and practice does not - impact negatively on the social, economic and security environment of third countries

2.3 The participation of civil society

The EU encourages the participation and training of partner countries civil society and other non-state actors in the development process in order to ensure the viability, effectiveness and impact of development strategies and programmes.

2.4. In-depth political dialogue

In relation to both political dialogue and aid methods, the EU is moving towards an approach based on results and progress indicators. In doing so, the EU recognises that a positive process of engagement and trust-building can be indicative of progress itself.

õ This regular dialogue must also address issues of governance, paying close attention to prevention and the fight against corruption and to monitoring the accountability of the security sector through judicial and civilian oversight.

2.5. A commitment to fragile states

(third para)
In transition situations, the EU undertakes to promote and apply the principles of linkages between emergency aid, civilian crisis management, rehabilitation and long-term development by ensuring coordination and complementarity with other regional multilateral organisations and civil society. The EU will also seek to develop and apply principles for strengthening the linkages between development and peacebuilding in transition and post-conflict situations through similar processes of coordination and inclusive consultation.

The process of development in a post-crisis situation will be guided by integrated transition strategies comprising at the same time political responses and long term financial support appropriate to the changing needs. These will be based upon sound, shared conflict and political analysis based on the needs of those affected by poverty and insecurity . including men, women, girls and boys. The aim of these strategies will be to set up or restore the essential social, economic and political conditions necessary for the implementation of long-term development programmes, and in particular to rebuild social and institutional capacities, essential social services, food security and infrastructure, to support - and at least not harm - peacebuilding and reconciliation processes, to support the sustainable management and regulation of natural resources and private business, and to provide sustainable solutions for refugees displaced persons and the general security of citizens.

3. ACTIONS BASED ON A COMMON THEMATIC FRAMEWORK

Action themes for the EU

(Second paragraph)
Governance for development and security (governance and democratisation processes, state reform, decentralisation, fight against corruption and tax evasion, strengthening of civil society, regulation and guidance for conflict-sensitive business practice, prevention of conflict, the fragility of states and natural disasters, and management of the transition between emergency and development).

(Fourth paragraph)
Economic growth and trade development, factors in conflict-sensitive sustainable development (support for reforms, regional integration, agriculture, fisheries, the private sector, redistribution of the income from growth, economic cooperation, development research, energy, information and communication technology, networks, infrastructure and access to transport).

(Last paragraph)
Combating inequalities and promoting social cohesion, including decent work for all, conflict-sensitive corporate social responsibility and facilitating reconciliation processes in situations of transition and post-conflict

4. AN OPERATIONAL TRANSLATION OF THE COMMON STRATEGY

4.2.   Strengthening aid effectiveness

4.2.1. Acting together for greater coordination, harmonisation and alignment

The EU will implement a work plan containing specific, measurable actions with a timetable. The aims of this plan over the coming years include:

(i)   greater conflict-sensitivity of international development practice through defined processes for shared political and conflict analyses and strategic planning,

(ii)   better division of labourõ .

4.2.2. Increasing the quality of aid, including via innovative and flexible mechanisms

(After paragraph two)

Such a mechanism will also respond to the needs of post-conflict countries and regions by earmarking resources for the long term when the capacity of state and society has reached a level whereby the benefits of EU aid can be absorbed.

4.3. Ensuring policy coherence for development

As regards implementation, progress must be made at <u>four</u> levels:
1. at Member States level, by the reinforcement of procedures and instruments relating to policy coherence, based on best practices developed by certain Member States;
2. at Council level, by strengthening of genuine integration of development <u>and peacebuilding</u> issues into the work of the Councils sectoral groups;
3. at Commission level, including by the reinforcement of <u>conflict-sensitive</u> impact analyses from a development perspectives;
4. <u>at all three levels by undertaking joint analyses and planning processes</u>.

To evaluate progress and enhance transparency, joint monitoring of policy coherence must be undertaken by EU institutions with the assistance of European and non-European civil society organisations.

PART 2. GUIDELINES FOR IMPLEMENTATION OF DEVELOPMENT POLICY BY THE COMMUNITY

2.1. Differentiation in the implementation of development cooperation

(Paragraph three, p.15)
Support to LICs will be based on poverty reduction strategies, paying due attention to the availability of and access to basic services, economic diversification, food security, improved governance and institutions <u>and basic security of citizens</u>.

(End of paragraph seven, p.16)
These principles reflect lessons learned on aid effectiveness in these countries and cover issues such as coherence, prevention of state fragility and conflict, <u>conflict-sensitive</u> development, harmonisation and alignment with their strategies and procedures. <u>In doing so, the Commission will support and promote the OECD DAC Principles for Good International Engagement in Fragile States and integrate these into an EU Action Plan on Fragile States</u>.

(Paragraph nine, p.16)
Country, Regional and Thematic Strategy Papers are the EC programming tools which both define this targeted ±mixφof policies and instruments and ensure coherence between them. <u>In fragile states these programming tools will be systematically informed by local, national and regional conflict analyses to reduce their potential harm and increase their peacebuilding impact</u>. The new architectureõ .

2.2. Transparent criteria for resource allocation

(Paragraph one, p.16)
õ The needs criteria include population, the extent of poverty, the level of social development <u>and perceptions of security</u>, while the performance criteria include political, economic and social progress and the absorption of aid, and in particular the way a country uses scarce resources for development, beginning with its own resources.

(Paragraph two, p.17, last line)

õ , particularly large and populous countries, disaster <u>or conflict</u>-prone countries.

3.2, point 1: Governance and support for economic and institutional reforms

(Add to end of paragraph two)
<u>In addition, greater attention will be paid to providing clarification and guidance on the role and responsibilities of European companies in fragile and conflict-affected states across all sectors (resource extraction, banking, communications, engineering sectors etc).</u>

<u>Support for security sector reform programmes to improve the security environment of third countries will be increased. Special emphasis will be given to security sector reform programmes that include police, judicial, military, penal reform, disarmament, demobilisation and reintegration processes (DDR) and small arms initiatives. The EC will support security sector reform programmes that are important for building stable and secure environments for sustainable development.</u>

(Paragraph five)
õ In dialogue with countries, the Community will continue to pay close attention to the impact of reforms, in terms of growth, improved business climate, macroeconomic stability, <u>escalation and de-escalation of violent conflict</u> and the effects on poverty reduction.

3.2., point 3: Infrastructure and transport

(Paragraph 2, p.19)
The EC promotes a sustainable transport sectoral approach. Meeting stakeholdersq needs, ensuring transport safety, affordability, efficiency and minimising negative effects on the environment <u>and conflict dynamics</u> are principles of the approach.

3.2, point four: Water and energy

(Paragraph 2, p.19)
The EU Water Initiative contributes to these policy objectives. Its key elements are to: reinforce political commitment to action and raise the profile of water and sanitation issues in the context of poverty reduction <u>and conflict prevention</u> efforts; promote better water governance arrangements; encourage regional and sub-regional co-operation on water management issues; and catalyse additional funding. <u>As a major potential causes of conflict . in Africa and elsewhere . significant political and social sensitivity and capacity is required for managing these processes</u>.

3.2, point five: Social cohesion and employment

(Paragraph two, p.20)
Employment is a crucial factor to achieve a high level of social cohesion. <u>This is particularly the case for youth who represent the foot soldiers in many conflicts and whose specific needs must be addressed.</u>

õ .Special emphasis will be given to the progressive integration of the informal sector into the formal economy, on social dialogue and on corporate social responsibility, <u>including conflict-sensitive business practice in fragile states.</u>

3.2, point nine: Prevention of conflicts and state fragility

(Paragraph two, p.22)
The Community will maintain its support to conflict prevention and resolution and to peacebuilding by addressing the root-causes of violent conflict, including poverty, degradation, exploitation and unequal distribution and access to land and natural resources, weak governance <u>including an unaccountable security sector and judiciary</u>, human rights abuses and gender inequality. <u>In doing so, the Community recognises that the root-causes will be assessed on a case-by-case basis and planned and implemented through conflict-sensitive approaches</u>.

(Paragraph three, p.22)
The Community will step up its assistance to support partner countries' and regional organisations' efforts to strengthen early warning systems and governance/ institutional capacity building, to enable them to engage effectively in a prevention approach. <u>The Community will increase its support to strengthening civil society to provide civilian oversight to political and economic processes, particularly in fragile states</u>. The EC will also improve its ability to recognise early signs of state fragility through improved joint analysis, joint monitoring and assessments of difficult, fragile and failing states with <u>Member States and</u> other donors.

3.3. A strengthened approach to mainstreaming

(Paragraph 2, p.23)
This is true, for example, of gender equality, human rights in general and the rights of children and indigenous peoples in particular, environmental issues, <u>conflict-sensitivity,</u> and capacity building, including increased use of information and communication technologies.

2 September 2005