



The proposed new European Consensus on Development

Has the European Commission got it right?

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Key findings

- The European Commission's new European Consensus on Development proposal works as a primer on contemporary development problems, consistent with the 2030 Sustainable Development Goals. However, it does not work as a strategy in the true meaning of the term.

Recommendations

- If Member States and the European Parliament wish this document to be a strategy, then there are three priority areas where more detail is needed:
 - comparative advantage and the respective roles of the Commission and Member States
 - thematic, sectoral and geographical priorities, with analysis of what this means for lower priority topics
 - policy coherence, including implications for the architecture of European Union instruments.
- The European Union should prioritise action on fragile states and global public goods, including climate change.

In November 2016, the European Commission proposed a new European Consensus on Development (COM, 2016a), governing all the international development work of the European Union (EU) and the Member States. This policy brief provides a summary and an analysis of the EU's proposal and sets out a series of options for EU Member States and Members of the European Parliament as they begin negotiations on the text.

Context

The European Commission's proposal for a new European Consensus on Development is entitled *Our world, our dignity, our future* (COM, 2016a). It is designed to replace the European Consensus on Development agreed in 2005, and the Agenda for Change published in 2011 (Council et al., 2006; COM, 2011). Like its predecessors, the proposed new Consensus is intended to be adopted by all the organs of the EU, including the Council and the Parliament; and to guide not only the development actions of the EU institutions, but also those of Member States. Thus, it potentially frames about \$75 billion in development and humanitarian aid spending (OECD, 2016), as well as action on peace and security in the world's 50 fragile states (OECD, 2015), trade flows into the EU from developing countries worth \$1 trillion a year (Eurostat, 2017) and collective action on the great global challenges such as climate change.

The proposed Consensus must be seen in the context of other EU initiatives, which bind the EU and Member States to a varying extent, dependent on whether the EU has exclusive competence (e.g. for trade) or not (e.g. climate change). Key documents are: a new trade strategy, published at the end of 2015 (COM, 2015); the external affairs Global Strategy, published in June 2016 (EEAS, 2016); and a number of sector-specific papers. In November 2016, alongside the new Consensus, the Commission published a Communication on the next steps for a sustainable European future (COM, 2016b). This explained how the Commission's 10 political priorities contribute to implementing the United Nations' 2030 Agenda for Sustainable Development. It also published a Communication on a renewed partnership with African, Caribbean and Pacific (ACP) countries (COM and EEAS, 2016), proposing the building blocks for a new phase in EU-ACP relations after the Cotonou Partnership Agreement expires in 2020.

The Global Strategy (EEAS, 2016) merits close attention because it covers other outward-looking commitments by the EU. The overarching theme is that the world is becoming more complex, connected and contested, creating what the document describes as 'times of existential crisis'. Basing its approach on principles such as being a responsible global stakeholder, the document identifies five priorities: (a) the security of the Union; (b) state and societal resilience to the east and south of the

EU; (c) an integrated approach to conflicts; (d) cooperative regional orders; and (e) global governance for the 21st century. There are several references to the Sustainable Development Goals (SDGs). According to the Strategy, the Union needs to be more credible, more responsive and more joined up. 'We need', it says, 'a stronger Europe'.

An overview of the proposed new Consensus

The proposal for a new Consensus reflects these ideas. It is framed around Agenda 2030, with a stated purpose to 'provide the framework for the common approach to development cooperation policy that will be applied by the EU and its Member States'.

The proposal is structured in six parts. *Part 1 (paras 1–11)* sets the context in which this exercise is taking place. The document lists a number of global challenges and trends that will shape the development landscape and to which Agenda 2030 responds.

Part 2 (paras 12–21) considers the EU's role in this context. It positions EU development policy as an essential instrument for meeting the priorities of EU external action as set out in the Global Strategy, refers to development policy objectives as defined in the Treaties, reasserts the EU's comparative advantage in development cooperation, and highlights the importance for the EU and the Member States of working better together. It also reaffirms broad principles and values guiding EU development action, such as democracy, rule of law, human rights and gender equality.

Part 3 (paras 22–57) is the most substantial section, where priorities for EU action are identified. The priorities are divided into five sub-sections that reflect the five priorities framing Agenda 2030: people, planet, prosperity, peace and partnership. Part 3 includes a long list of commitments of the EU and its Member States, with the phrase 'The EU and its Member States will' appearing no fewer than 82 times. Some examples are listed in Box 1. They range from general declarations of intent to very specific commitments on issues such as results management, programming and cooperation between Member States.

Part 4 (paras 58–78) is dedicated to partnerships, in recognition that the EU cannot deliver Agenda 2030 without better collaboration between its Member States and with other actors. The proposal draws attention in particular to joint programming, joint strategies, joint actions at country level and joint monitoring of results. It also emphasises the use of particular financial instruments, i.e. budget support, EU Trust Funds and blended finance. With regard to engaging with other actors, this includes national governments (both central and local level) of recipient countries, the private sector, civil society organisations, academia, diaspora groups and multilateral organisations. The way in which the EU plans

Box 1: Examples of commitments from Part 3 of the new European Consensus on Development

The EU and its Member States will...:

- [structure their development actions] around the priorities framing the 2030 Agenda: people, planet, prosperity, peace and partnership.
- pursue an end to hunger, universal health coverage, universal access to quality education and training, adequate and sustainable social protection and decent work for all, within a healthy environment.
- implement a rights-based approach to development cooperation.
- vigorously promote the protection and fulfilment of women's and girls' rights.
- reinforce their focus on eradicating poverty in very poor, fragile or conflict-affected countries.
- strengthen resilience, particularly of vulnerable populations, in the face of environmental and economic shocks, natural and man-made disasters and global threats to health
- support the conservation and sustainable management of all natural resources.
- promote an economic transformation that creates decent jobs, generates sufficient revenues for public services, and fosters sustainable value chains.
- promote and facilitate trade and investment in developing countries in support of sustainable development.
- contribute to scaling up private and public investments in a low-carbon, climate-resilient green economy.
- promote the universal values of democracy, good governance, the rule of law and human rights for all.
- enhance joint programming in development cooperation in order to increase their collective impact by bringing together their resources and capacities.
- coordinate and develop unified positions in international fora on all matters related to the Consensus.
- develop their engagement with more advanced developing countries, beyond financial cooperation.
- put an enhanced focus on generating domestically additional resources for sustainable development in partner countries.
- integrate the 2030 Agenda and support the use of SDG indicators to measure development results at country level.

Source: COM, 2016a

to work with developing country partners is to be tailored according to their needs and capacities and will involve both financial and non-financial cooperation instruments. Two geographical regions stand out in the proposal: the group of ACP countries and those covered by the European Neighbourhood Policy.

Part 5 (paras 79–93) focuses on improving the impact of EU actions. The proposal touches on making use of all the means of implementation available, applying policy coherence for development across all relevant policy areas and following the key principles of development effectiveness.

Part 6 (paras 94–99) covers practical matters on reporting progress on the SDGs, both in the EU and by enhancing capacities in developing countries to track their own progress. Finally, the document proposes that the new Consensus undergo a mid-term assessment of its implementation, although no time horizon is set out.

What is new?

This new, proposed Consensus departs from the 2005 Consensus and the 2011 Agenda for Change in four main ways.

First, the contextual framing is somewhat more alarmist than either the original Consensus or the Agenda for Change – although it lacks the urgency or the talk of ‘existential crisis’ found in the Global Strategy. The proposed Consensus recognises progress on development, but also new threats, such as growing youth unemployment, inequality, the persistent fragility of some countries and many environmental challenges. Migration is mentioned 30 times.

Second, the structure of the proposed new Consensus differs from the 2005 document's two-part structure, which, on the one hand, established common objectives and principles for the EU and the Member States' development cooperation, and then, on the other hand, presented a revised development policy specific to the European Commission's aid programme. The new version is a unified text, with a single set of priorities and commitments to action. There are strong statements throughout about the need for joint action by the EU Services and the Member States.

Third, the proposed new Consensus is firmly linked to the SDGs agreed in 2015. The SDGs link economic, social and environmental dimensions, and explicitly apply to all countries, developed and developing.

Fourth, and partly as a result of tying the proposal to the SDGs, there are fewer explicit changes in priority than in earlier documents. For example, the Agenda for Change announced four important shifts in EU development policy: a higher profile for good governance and human rights, linked to greater conditionality; a higher profile for growth, with a strong focus on leveraging private sector money; the introduction of the concept of differentiated development partnerships, with new allocation criteria for aid; and an attempt to boost EU joint work. Those themes remain in the new Consensus, but alongside many other commitments.

Has the Commission got it right?

The proposed new Consensus does a reasonable job of summarising current preoccupations in international development. The SDG framing ensures that the document is comprehensive in its coverage. The sections on partnership and impact include the usual commitments to development effectiveness, such as country ownership and a results focus. There is recognition that ‘development cooperation’ is about more than aid and more than government actors. The need for policy coherence is acknowledged, there is reference to many different stakeholders and to private sector actors, and the importance of financial flows other than aid is repeatedly emphasised.

However, the proposed new Consensus is very high level in its orientation, as well as broad in its application to the whole of ‘the EU and its Member States’ – to the extent that strategic direction is hard to see and key choices are difficult to identify. Once the Consensus has been finalised, what exactly will there be more of and what will be reduced? Will there be more attention given to certain groups of countries, and therefore necessarily less to others? Will there be some areas in which the EU institutions will specialise, and others that will be left to Member States? Will there be any need to rejig financial instruments in the next Financial Framework? These questions are all the more important in the context of Brexit, where the EU will in principle lose some 15% of its aid budget, as well as the skills and other assets the UK brings to development. The risk is that ‘salami-slice’ cuts will be made to all programmes, rather than taking strategic decisions.

Options for change

If the European Parliament or the Member States require a document that is genuinely more ‘strategic’, then considerable reworking is likely to be needed. There should be three priorities in such a revision.

Focus on comparative advantage

First, Member States are likely to want more discussion of comparative advantage – of the EU as a whole vis-à-vis other actors such as the United Nations or the international financial institutions, but more particularly of the Commission Services vis-à-vis Member States. Is the Commission better able to deliver some of the 82 ‘we wills’ than others, such as focusing on infrastructure, health, humanitarian aid or conflict resolution? There is an important debate to be had about the division of labour in European development cooperation. Taken to a logical conclusion, this would imply separating the new Consensus into two parts – as was done in 2005 – comprising a general perspective that would build on the current proposal, and a separate section dealing with Commission priorities. Trust funds and other joint vehicles could then be used to help bridge between the two.

Be clear about priorities

Second, the question of priorities within the overall development framework needs to be addressed. There are no clear sectoral priorities, as the 17 SDGs are treated with equal importance. Moreover, it is unclear whether prior commitments still apply, such as the pledge in the Agenda for Change to spend 20% of resources on social inclusion and human development. There is also a lack of geographical focus. The new Consensus has a few paragraphs on differentiated partnerships (especially paragraphs 74–78), which make the case for new forms of engagement with richer developing countries as they graduate from aid in parallel with continued assistance to countries most in need. This is weaker than in the Agenda for Change, which sets out criteria for allocating resources and named priority regions. Another example is migration, which has clearly risen sharply up the agenda since 2011. There are several new instruments. Will they grow further?

ODI research and analysis on trends in international development and the future of development agencies suggests that donors will spend more of their official development assistance on tackling the challenges of fragility and global public goods (Kharas and Rogerson, 2012; Gavas et al., 2015). In both areas, the EU international development programme has comparative advantage in the international system. These should be two priorities for EU action.

On conflict resolution and development in fragile states, the European Commission is able to deploy large financial resources, and also bring diplomatic and military/policing resources to bear. There are currently 16 EU military or civilian missions in countries such as Libya, Mali, Niger and Somalia. In those countries, there are also humanitarian and development programmes acting synergistically. Could the EU focus more on such cases, allocating perhaps a set

share of its resources to fragile states and reorganising its instruments to provide more integrated support? This could also have an impact on migration.

Global public goods is a broad category which includes managing public health crises such as Ebola or the Zika virus, as well as transnational crime and tax avoidance, terrorism and a range of environmental concerns, notably climate change. In 2015, the EU scored a notable success at the Paris climate talks by working with developing country partners in the High Ambition Coalition. It has also committed to spend 20% of the EU budget on climate action, both mitigation and adaptation. This is a high priority for developing countries, as the Consensus document recognises, and it has grown in importance since the original Consensus was agreed. This could be a special area of focus in the future.

The proposal also offers no review of the multiplicity of EU instruments and tools available, which would have been useful in order to dedicate specific instruments to areas where they can add most value. The document limits itself to describing three instruments that have the potential to enhance the coordination of EU and Member States' work: budget support, EU Trust Funds and blended finance. This suggests that further analysis will be needed in advance of the multiannual financial framework negotiations.

Improve policy coherence

Third, policy coherence is of rising importance in all developed countries – driven not only by the 2030 Agenda, but also by the recognition that great global challenges such as climate change and conflict cannot be tackled by aid alone. In some countries, new cross-government funds have been created; for example, the UK has set up an International Climate Fund and a Conflict,

Stability and Security Fund. There is value in considering whether such approaches should be adopted more widely or whether existing EU instruments can be adapted for these purposes.

Conclusion

The European Commission's proposal gives an all-encompassing overview of the many activities planned by the EU in order to implement each of the 17 SDGs. It is a comprehensive checklist, but it is not yet a strategy for EU development cooperation. The new Consensus could encompass a call to action that builds on the sense of urgency contained in the Global Strategy and the commitment contained in the SDG framework to act in both developed and developing countries. It could foster: a resolute engagement by the EU and its Member States on all aspects of global policy; a clear sense of the comparative advantage of the EU as a whole and of the Commission vis-à-vis Member States; and a series of specific proposals to refocus development cooperation, both aid and non-aid, to achieve greater results.

It is important that the various official stakeholders responding to the proposed new Consensus ensure that a final document is provided which reflects the ongoing discussion and debate. It will not be enough to pass resolutions or agree conclusions emphasising this or that priority, leaving the original document intact. Instead, Parliament and Council should insist that a new and final draft that incorporates changes is prepared. If the strategy is to be a sourcebook on development practice, those changes will hopefully be relatively minor. If, however, the document is to become a 'strategy' in the real-world meaning of the term, it will look very different.

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