



CONCORD Cotonou Working Group

Whose governance?

The European Commission will launch in July 2006 a new communication/issue paper¹ on “governance in development cooperation”. In addition to a blatant disregard for consultation, the proposed documents are a clear attempt by the European Union to push new conditionalities on partner countries. The European Union is attempting to limit policy space for partner countries and is refusing to address questions of transparency and accountability raised by the European public to its own decision makers by imposing its own definition of governance and criteria together with questionable tools for monitoring implementation and a financial reward and sanction system. European NGOs² refuse therefore to engage in this debate until the proposals are reopened.

I. A flawed consultation process

European NGOs believe that the consultation process on the “Issue paper towards a European Consensus on governance in development cooperation” is flawed and that no meaningful input from either European or African Civil Society will be possible. We want to stress therefore that the consultation process on Governance launched by the European Commission contradicts its own basic standards on governance. The principle of ownership and consultation, stressed in the Commission's Issues Paper on Governance, is in open contradiction with the fact that many elements of the Governance Initiative have been almost finalised in the 10th EDF programming exercise. The timeframe given for consultation with civil society is much too short for meaningful input coming from partners in the respective countries. In practical terms the Commission has not consulted the various stakeholders but imposed its own definition of governance, the tools to monitor it (the governance profile and indicators) and the financing mechanisms (the incentive tranche).

We consider the issues paper and consultation process on governance in developing countries launched on 6th June to be a sham – as the focus on governance within the 10th EDF programming exercise seems to be already finalised and indeed being used in some countries. We demand that the European Commission reopen discussions on its governance profiles and related approaches. Once this process is reopened, we will seek to rebalance the strategy to be in line with the principles and questions outlined below.

¹ European Commission, “ Issues Paper Towards an European Consensus on governance in development cooperation”, 06.06.2006. and governance profile on the website of DGDEV (http://ec.europa.eu/comm/development/body/csp_rsp/programming_ACP.cfm)

² This response was prepared by the Concord Cotonou Working Group (June 2006) and includes input from the following organisations: ActionAid, Aprodev, Bond, CNCD – 11.11.11, Eurodad, Eurostep, FERN, Pollen, VENRO, 11.11.11

II. Whose governance?

Europe has, throughout its history, experienced various models of governance. Other regions and countries in the world have had different experiences. These lessons learnt can all be interesting contributions to a much needed broad international debate on governance. Europe has much to learn from this international debate at a time when its citizens feel increasingly disconnected from the European political world.

While there is no internationally agreed definition of governance, the issue of good governance has become central to notions of development in the last 10 years. The Organisation for Economic Co-operation and Development Assistance Committee (OECD) considers governance as “*a process oriented, broad, inclusive and multidimensional concept encompassing democracy, human rights, participation and the rule of law*”. One can see it as the way in which societies develop rules, processes and behaviours necessary for their survival and their accomplishment. Governance is the management of relationships between human beings, between societies, between mankind and the biosphere. It is a “*maximum unity in a maximum diversity*”³.

Good governance can be inspired by the historical and cultural heritage of a society, but also by its relation with other societies. Governance and development “models” can not be imposed on a society from the outside. Governance is an inclusive, multidimensional process including common values. It takes into account the 'supply' side - state and government, as governance is linked to the institutional notion of organised states – but also crucially, the 'demand' side - the people, community and civil society. Their participation is essential in building accountable and democratic governance mechanisms in a sustainable way.

Governance is a cross – cutting issue that needs to be incorporated in all sectors and at all policy levels (local, national, etc).

Any new European commitment to governance should aim to rebalance the partnership between the EU and third countries and specifically the ACP – EU partnership to ensure that the concerns of partners are central to this process. Governance problems in Europe and in the developing world are too important to be used to promote specific European short term economic and security interests. The dialogue must include an exchange on European governance issues, for example in relation to the delivery and coherence of aid.

At a time when its citizens feel increasingly disconnected with the European political world, we expect the European Union to:

- **Contribute to and learn from a broad international debate on governance including the relationship between governance and citizen entitlements to state services.**
- **Support institutions' (both internal and external) efforts on governance and development models, provided these models are based on the recognition of all human rights and the principles of transparency and accountability.**

III. Principles to uphold⁴:

There are a number of principles that we feel must guide the debate on governance both within the European Union on its own policies and in relation to its policies towards developing countries. These principles should be part of policies, but moreover translated into practical implementation:

- *Transparency*

It is necessary to have clarity on why decisions are taken, which objectives are set and what priorities are adopted within European and ACP budgets. For example discussions and decisions within the EDF committee or at the level of ACP governments should be debated publicly. The ability of parliamentarians and civil society to monitor these processes is critical for good governance, especially with regard to governance indicators.

“Transparency, which is essential for the effective working of all checks and balances and which can and should be enhanced in almost all settings—at quite low cost. Donors and International Finance Institutions can play a direct role here, including by ensuring that all analytical work is made widely available, with translation into local languages”⁵. It is currently not clear that the EC’s governance profiles will be transparent to government officials and citizens in the countries concerned either during or after their production.

- *Accountability*

European donors should align their policies with national development plans of recipient countries and not simply adhere to orientations put forward by international institutions and should be more accountable on their choice of indicators. We welcome further coordination and harmonisation of European aid programmes on the condition that this is done around priorities set forward by the recipient government with appropriate citizen consultation. The EU should ensure that any new financing agreement signed between the European Commission and the National Authorising Officer is disclosed and made available to parliaments and civil societies.

Governments need to reach out to their citizens and clearly reinforce the participation of grass roots organisations and the most marginalised populations in the societies in the setting of priorities for national development plans and budgets.

- *Real ownership and harmonisation*

EC development assistance must be truly owned by recipient countries. Europe should not use its development programmes to advance its short-term economic (opening markets or push for Singapore issues through Economic Partnership Agreements) and security interests (the fight against terrorism, migration policies). We welcome further coordination and harmonisation of European aid programmes on the condition that this is done around priorities set forward by the recipient government with appropriate citizen consultation. The European Commission at all levels has signed up to the principle of harmonisation – to reduce administrative burdens on aid recipient governments⁶. Commissioner Louis Michel⁷ insisted on the fact that “governance is one of the keys to development. If there is one area where harmonisation is needed, it is this. We may differ on some aspects of governance, but it seems to me that these divergences are not sufficiently large to generate a system of additional and chaotic layers of successive and disparate conditionalities, even contradictory ones”. Sadly the proposed European Commission strategy on governance, with its emphasis on EC delegations preparing their own governance profiles, appears to move in the opposite direction.

⁴ All these principles are included in the Cotonou Agreement, as legally binding clauses. In most cases these still have not been implemented properly, neither in terms of permanent political dialogue, nor in terms of actual disbursements nor in term of meaningful consultation of civil society.

⁵ World Bank (2006), Global Monitoring Report, Washington.

⁶ Among other places this has been agreed at the March 2005 Paris conference on aid effectiveness, and in the OECD DAC’s Govnet discussions.

⁷ Speech by European Commissioner Louis Michel, World Bank Meeting, April 2006

- *Respect and promotion of all human rights*

In recognition of the Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, governments of the European Union and ACP and third countries are bound to promote and protect all human rights. Human rights are part and parcel of the concept of good governance. Hence debate on good governance and development assistance to achieve good governance always have to consider the impact of decisions and programs on state obligations (respect, protect, fulfil) towards human rights.

To date limited attention and resources have been made available to governments, to support dialogue between government, civil society and donors with the aim of strengthening democracy, respect for human rights and civil society engagement in democratic and participatory processes.

In fragile states, the EU's governance programmes should focus on nation building, with due respect for countries' own priorities. There may be strong differences of values, aspirations, needs and approaches to governance and to development. Governance targets and benchmarks need to be discussed with both state and non-state actors at the earliest possible stage. The EU needs to start recognising the inherently political process involved in promoting governance. 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. Support for civil society organisations, including women, will help build the capacity for critical analysis on the reality hidden behind quantitative targets

- *Predictability, lack of disbursements and workability*

A useful way forward is suggested by the World Bank's Global Monitoring Report: "Given the limitations of current knowledge, perhaps all that can be offered at this stage is a modest process suggestion. Even—or perhaps especially—when it is still uncomfortable, governments and their development partners might usefully begin a dialogue on how to strengthen checks and balances institutions. The aim of this dialogue would be to agree on a phased sequence of steps for strengthening these institutions, perhaps emphasizing more those that are directly relevant to MDG outcomes—transparency, gender, the justice system, and local governance for example. Recipient countries would be accountable for proceeding with an agreed sequence. In return, they would enjoy more certainty over what is expected by the international community. Donors, in turn, having agreed on a way forward would be expected not to shift the goalposts after the fact."

The list of issues in the European Commission's governance profiles is too long, and not operationalisable.⁸ The list should be simplified, so that judgements and decisions based on it are easier to trace, and the document can be more useful in guiding decision-making. Very weak phrasing on social governance and migration issues should not be included in the governance profile list as migration is not a governance issue.

⁸ The total number of questions and sub-questions in the governance profile is 108

IV. A limited number of key questions:

1. How can the European Commission and the EU Member States justify the fact that governance has already been chosen as a key sector for the national and the regional programming process without a political and democratic dialogue with ACP states and ACP civil society and without any evaluation process of the 9th EDF?
2. How can the Commission and the Member States justify the fact that a debate has been launched on governance while the focus on governance within the 10th EDF programming exercise seems to be almost finalised?
3. How do ACP and EU Member States reconcile the principle of ownership with the European Commission's move to impose its own definition of governance, tools to monitor it (governance profile) and financing mechanisms (incentive tranche) in the context of the 10th EDF programming?
4. Shouldn't ACP countries define their own model of governance based on their historical and cultural heritage? Shouldn't their progress on governance be assessed on self-defined indicators rather than those set in the governance profile?
5. The proposed indicators (governance profile) are now being discussed in the European institutions (EC, OECD, etc). Will they be discussed with governments and people concerned or will they simply be used as determining factors to allocate funds (and so function as a sanction mechanism)?
6. Does the Commission believe that all necessary stakeholders have been given sufficient opportunities to contribute meaningfully to the debate around the governance issues paper?
7. In the spirit of good governance and transparency, are the Commission and the Member States willing to publicise and debate in the EDF programming preparatory phase, the draft Country/Region Strategy Papers and National/Regional Indicative programmes, the financial tables and breakdowns and the necessary documents for the EPA review?
8. As new aid modalities such as budget support are increasingly used, will both donor and recipient countries undertake to publish their budgets specifying the expenditure breakdown to allow citizens to assess their performance in delivering on the Millennium Development Goals?
9. Are the commitments made followed up with corresponding disbursements, and following what procedures? How are development policies evaluated in line with budget implementation and the amount originally decided for the national cooperation strategies?
10. Will the EU raise its own governance issues within the framework of this debate, especially today when its citizens feel increasingly disconnected with the European political world?

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The views expressed in this response only commit the members of the Concord Cotonou Working Group (Aid) and not the Concord membership as a whole.