



## The European Commission one year in. How is it doing?

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The current European Commission, headed by Jose Manuel Barroso, took office on 10 February 2010. One year in, how is it doing?

That's a good question, but not one I am qualified to answer. The question I might be qualified to answer is much narrower, namely how is Andris Piebalgs doing? He is the Commissioner for development cooperation. That is an important but specific question, since Andris Piebalgs has circumscribed responsibilities within the domain of development policy. Thus, there are separate Commissioners for trade, climate change, neighbourhood policy and even humanitarian action; as well, of course, as a Commission Vice-President and Council High Representative for external affairs. All have an interest in developing countries.

It is not difficult to imagine a worst-case scenario, in which the new External Action Service would have captured control of development policy and funding, and would be using it to pursue security and foreign policy objectives. The development Commissioner would be left managing implementation of others' decisions, aided by a time-expired European consensus on development policy and a poorly structured and poorly functioning bureaucracy. Member States would have given up on the Commission, and would be talking about repatriating funds and reducing the Commission's development budgets in the next Financial Perspectives.

Good news. The worst case has been avoided. In fact, there are positive stories to report at the end of the first year.

First, the worst predations of the foreign policy establishment have been dodged. Although the post-Lisbon External Action Service formally has the lead on aid programming, the Development Commissioner has joint authority.

In practice, he also has under his control the development expertise on development issues, an area in which the EAS looks to be weak. This is as good an outcome as could have been expected, a victory for common sense, but also the result of good political management.

Second, Andris Piebalgs has begun to put his stamp on EU and EC development policy. The title of the Green Paper he published at the end of 2010, 'EU development policy in support of inclusive growth and sustainable development - increasing the impact of EU development policy', summarises the main themes, and hints at others: growth, the private sector, energy, a focus on results, accountability.

Third, the Commissioner has established a good political foundation for further work. The key themes of the Green Paper resonate with other ministers around the EU Member States, all concerned with demonstrating the impact of aid at a time of fiscal stringency. The growth and private sector themes also resonate with many, including the new Government in the UK.

Fourth, there has been an important decision to restructure the bureaucracy, merging DG Development, which previously dealt with policy, and EuropeAid, which led on implementation. The creation a new 'DevCo', under the leadership of Fokion Fotiadis, offers the opportunity of better strategic leadership on policy, and more effective administration.

Fifth, there have been some significant moments on the ground, for example in negotiating a coherent EU response to the Haiti earthquake. The EU offered a coherent position at the MDG Summit in New York in September 2010. There have also been summits with Africa and Asia.

Sixth, the EU's development programme has been ranked highly in recent comparative evaluations, for example by the Centre for Global Development in Washington. They score development agencies with respect to 30 criteria related to: maximizing efficiency; fostering institutions; reducing burdens; and transparency and learning. The EC scores above the mean on all four of these aggregate measures. That is a far cry from the situation of a few years ago, and far also from the jaundiced public view of EC performance.

The European Development Cooperation Strengthening Programme (EDCSP) is an ODI initiative funded by DFID



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Seventh, work has begun on development funding in the next Financial Perspectives, including on the vexed question of whether the European Development Fund should be brought into the budget. The debate is just beginning, but the Commission has laid out the case for a reinforced commitment to external affairs.

Should the record have been even better? Obviously, the development community, this author among them, has expectations which can never be satisfied. The gravity of poverty in the world demands no less. The Commissioner has been in office a whole year, yet poverty still persists!

Realistically, there are certainly some items of unfinished business.

First, the agenda is overloaded with policy papers and consultations, all of which make it difficult to see the wood for the trees.

I have previously suggested that the Commissioner could usefully articulate his ‘Commander’s Intent’, laying out a small number of priorities for a five year term. The Green Paper and other consultations (for example on budget support) may well deliver a coherent set of priorities by the second half of 2011, but by then the term will be one third over.

Second, and paradoxically, the policy agenda is incomplete. Although the Development Commissioner has over-arching responsibility for all aspects of development policy, including policy coherence in areas such as trade, agriculture, migration and climate change, the focus so far has largely been on aid. The Green Paper, for example, has little to say about the wider development context, including the kind of financial and global macro-economic issues that appear on the agenda of the G20.

A Commission Communication on climate change and development, promised for the run-up to Cancun, was cancelled at the last minute, mainly because Member States could not agree on core messages to do with climate finance. By the same token, a clear division of labour between Commissioners needs to be established with respect to the politics of development, as for example in Ivory Coast or Tunisia.

Third, and again paradoxically, given the range of policy initiatives, the Commission is remarkably poorly staffed in the policy area compared to its peer group among the large international donors. The EC, remember, not the EU as a whole, but the European Commission, disburses more in official development assistance than the World Bank, and about as much as the whole of the United Nations. Its weight and influence in global policy debates falls far behind either the Bank or the UN – even allowing for the innovation of an annual European Development Report.

Some argue that the EC should leave the thinking to others, but surely a 10 bn euro aid programme needs to apply to itself the principle of being a learning and thinking organisation, even before bringing into the mix other areas like trade.

Fourth, the EC ‘talks the talk’ on cooperation with other regions, but is very unevenly vigorous in ‘walking the walk’.

Africa takes pride of place, though doubts remain about whether Europe is as effective a partner, or as preferred a partner, as China. In other regions, Europe needs to accelerate the transition from an aid relationship to a true strategic partnership on global and regional issues. The Asia Europe Meeting (ASEM) offers unfulfilled potential in this respect.

Finally, the Commission still struggles with the core question of whether Europe is a forum for cooperation between Member States, with energy focused on setting standards and managing coordination on the ground - or a forum for consolidation, with a greater share of aid passing through the Commission.

It is yet another paradox that senior policy-makers use the language of coordination, and express their preference for this way of working, while simultaneously funding the largest channel in the world for oda.

Thus, the worst-case scenario has been avoided, but the best-case scenario is not yet quite attained. Imagine. A European Commission recognised internationally as the global thought-leader on the complex and multi-faceted challenges of international development; rallying European Member States behind a single standard; brokering new, global relationships with Asia, Latin America and Africa, in the process delivering global public goods for all and global opportunities for Europe; and overseeing the delivery of policy frameworks and financial flows which deliver measurable results.

Here lies the challenge – and the opportunity. The foundations have been built, and there are four years to go. These are the immediate priorities.

First, accelerate the conclusion of the Green Paper. I have argued elsewhere that the Commission should stop playing poker with development policy and reveal its hand. Another way of saying this is that the Commission should stop trying to cover all topics equally, but state its priorities, including those to do with growth, the private sector and energy.

Commissioner Piebalgs might be surprised by the extent of support. In any case, it would be good to speed up.



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Second, take the opportunity of the merger between DG Dev and EuropeAid to create not just the largest development agency in the world, but the best. Form should follow function in the reorganisation, so the first step is to clarify the function.

Third, tackle head-on the apparent contradiction between cooperativist thinking and consolidationist behaviour. This may be a high-risk strategy, but is essential to help frame the debate now starting about the Financial Perspectives 2014-2020. At present 20% of EU development spending goes through Brussels. Is this about right? Too large? Too small? How do grants relate to loans, for example through the European Investment Bank? And what can be learned from the experience of creating shock facilities, like V-Flex and the food facility?

At the same time, the old debate about whether or not to budgetise the EDF needs to be resolved. An accommodation is needed – increasing accountability to the European Parliament, currently strong for the budget, weak for the EDF, while simultaneously maintaining accountability to recipient countries, at present weak for the budget, strong for the EDF.

Three items on the to-do list for 2011. That doesn't sound impossible. Ministers of the EU-27 should support this level of ambition and engage in making change happen.

\*A version of this article appeared in European Voice, 10<sup>th</sup> February 2011

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